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TEACHERS' RETIREMENT BOARD MEETING

February 16, 1990

Chairman Cowan called the meeting to order at 9:00 a.m. in the office of the Teachers' Retirement System. Those present were:

Jim Cowan, Chairman
Virginia Egli, Active Teacher
LeRoy Corbin, Active Teacher
John Kranick, Retired Teacher
David Senn, Executive Secretary
Mary Harrington, Assistant Executive Secretary
Paul Smietanka, Legal Counsel
Tom Bilodeau, MEA
Wilbur Swenson, MRTA

Nancy Keenan and Verna Green were unable to attend.

Approval of the minutes for October 30 and November 17, 1989. The Executive Secretary stated there had been a change in the minutes as mailed to the board members for special meeting of November 17, 1989. The third paragraph had been changed to read, "Mr. Kranick stated he had a sizeable amount in the tax-sheltered annuity fund and wondered if anyone objected if he voted. Mrs. Egli and Mr. Corbin objected and Mr. Kranick abstained from voting." Mr. Corbin moved to accept the minutes as presented for October 30, 1989, and as corrected for November 17, 1989. Mr. Kranick seconded the motion which carried.

Financial Statements, Budget Report and Investments. The board briefly reviewed the financial statements and budget report noting that the budget for the 1989-90 fiscal year was running a deficit of approximately $10,000.00 and it would be necessary to request a budget amendment. The board also reviewed the anticipated increases that would be requested for the 1991-93 biennium for equipment, data processing charges, travel and microfilming of retiree's files. Mr. Corbin moved to accept the financial statements, budget and investment reports. Mr. Kranick seconded the motion which carried.

Executive Secretary's Report. The board briefly reviewed the Executive Secretary's Report as presented. Mr. Corbin moved to accept the report. Mrs. Egli seconded the motion which carried.

OLD BUSINESS

Retroactive Salary Settlement - Donald Lang. The board reviewed the 1988 retroactive wage settlement Mr. Lang received from Great Falls Schools. Mr. Lang requested the board approve the use of retroactive wages in the calculation of retirement benefits as proposed in correspondence dated April 25, 1989, except in the case of his untimely death or disability. Mr. Smietanka recommended

the board not commit to the application of these monies until the board had before them an application for retirement benefits. Mr. Smietanka stated he believed that in-action would not change Mr. Lang's right to future benefits and would not grant any additional rights. Mr. Corbin moved to accept Legal Counsel's recommendation and that Mr. Lang's file be so noted and that when he applies for retirement benefits he be given the opportunity to: request that the board approve the proposal made on April 25, 1989, apply the retroactive wages to years in which they were earned or if he so desires to further litigate the matter. Mr. Kranick seconded the motion which carried.

Death Benefits - Rodney Butler. Mr. Butler died June 19, 1987. The retirement system was paying survivor benefits to his designated beneficiary, Dale E. Butler, until November 1988, when the board received a Stop Payment Order from Judge Michael A. Keedy. Judge Keedy subsequently ruled that the retirement benefits should be paid to the estate and to Rodney Butler's ex-spouse and not to Dale Butler. Mr. Smietanka explained he had informed Judge Keedy the board could not comply with a judicial order to make any distribution other than that permitted by the Teachers' Retirement statutes. In the meantime Judge Keedy's order has been appealed to the Montana Supreme Court by Dale E. Butler. He recommended the board not become a part of the appeal but that they file an amicus curiae brief. It was the consensus of the board that legal council should do all that is required to protect the assets of the retirement system and that an amicus curiae brief, if required, should be filed.

Chairman Cowan noted that Wilbur Swenson, President of the Montana Retired Teachers Association had traveled from Havre to be with the board and recommended that the board move to new business.

1991 Legislation. The Executive Secretary explained that as part of the executive planning process not only were we required to present budget projections for the 1991-93 biennium, we were also asked to provide a list of possible legislation. Five topics were identified for legislation, noting they would not necessarily be those of the Teachers' Retirement Board. They were, taxation of state and local retirement benefits, optional retirement pop-up provisions, pension portability, division of benefits in a divorce, and TRS housekeeping to amend 19-4-501(4) and 19-4-901 MCA. Each of the topics was discussed in detail. It was also noted that a "real" cost of living adjustment as well as a change to a 1/50 formula may be pursued by organizations representing members of the TRS.

Overpayment - Estate of John E. Moore. The retirement board had received information regarding the overpayment of retirement benefits from Howard Toole, attorney representing the estate of John E. Moore. The overpayments had been made to Mr. John E. Moore since 1981. Prior to August 1986 these payments were made payable to John E. Moore; after this date, warrants were made payable to John E. Moore and Elizabeth B. Moore. The question was raised,

should the bank, who accepted the payments for deposit and guaranteed endorsement, share some of the liability for the overpayment. Mr. Cowan asked the staff to determine if the bank account had remained a joint account after the death of Mrs. Moore and what was the status of the account in 1986. After further discussion Mr. Corbin moved to recover the overpayment of retirement benefits in full and directed the staff work with the estate to pursue all avenues of recovery. Mrs. Egli seconded the motion which passed.

Mrs. Egli requested that staff establish procedures to notify recipients periodically of the option they selected at the time of retirement and of their obligation to notify the retirement system in case of death.

Compensation Reported to the Teamsters' Pension Fund. Principals of the Anaconda Public Schools have a portion of their compensation contributed to the Teamsters' Pension Fund. This portion is not reported to the Teachers' Retirement System. Beginning with the 1990-91 school year contract the district will no longer make contributions to the Teamsters' Pension Fund, nor will the Teamsters' represent the principals. Instead, the compensation previously reported to the Teamsters' Pension Fund will now be reported to TRS. Mary Jo Oreskovich, superintendent, questioned whether this compensation should be subjected to the provisions of the 10% statutory cap or should it be exempt from the 10% statutory cap because it was part of the collective bargaining agreement. Mr. Smietanka commented that there has existed and equitable receipt of those monies by the employee, contributed to the Teamsters' Pension Fund by the employer. The elimination of Teamsters' Pension Fund contribution did not result in an increase in the employees compensation, but has resulted in an increase in the compensation reported to the Teachers' Retirement System. Therefore, there has not been an increase in compensation in excess of 10% that would fall under the exception for collective bargaining. Mr. Kranick moved to disallow an exemption for increase in compensation reported to TRS for the principals. Mrs. Egli seconded the motion which passed.

10% Statutory Cap - Ira Hammond. Mr. Hammond petitioned the retirement board to grant an exemption to the 10% statutory cap for an enhancement in salaries received as a result of additional administrative duties. Mr. Hammond requested an exemption because the additional duties had been part of his contract over the past several years, but this year the additional duties were to be provided under an 11 month contract versus a normal 9 month contract. It was noted that Mr. Hammond had received additional compensation for the administrative duties of $1,297.00 during the 1986-87 school year and $500.00 during the 1987-88 school year. His contract for the 1989-90 school year provided for an additional $9,000.00 for time spent as an administrative assistant. Mrs. Egli moved to deny the request for an exemption. Mr. Kranick seconded the motion which carried.

Membership Service - Bruce Russell. The Executive Secretary noted

Mr. Russell had requested that a sealed envelope be opened and noted at the board meeting. He recommended if information was not available for the board to readily make a determination in regards to Mr. Russell's membership service that the issue be deferred until the next regular meeting. The envelope was opened by Chairman Cowan. After reading the first page Chairman Cowan stated that if there were no objection he would entertain a motion to table the issues. Mr. Kranick moved to table the issue with copies distributed to each member of the board. Mrs. Egli seconded the motion which carried.

The meeting was recessed for lunch.

At 1:15 p.m. the meeting of the Teachers' Retirement Board was called back to order.

VALIC Contract - Marketing and Pre-Retirement Planning. The Executive Secretary introduced sales representatives with the Variable Annuity Life Insurance Company (VALIC): John Wing, Gene Downey, and Bob Zupan. The Executive Secretary explained that the purpose of this meeting was for the board to review possible marketing strategies for the tax-deferred annuity program and the development of a pre-retirement planning program. It was suggested that marketing begin with mailing letters through the TRS distribution system to all TRS members announcing the changes in the annuity program. Ideally this would be done once in the early spring and once each fall. The cost of the program would be born by VALIC primarily with possible help from TRS. Also, information regarding VALIC and the TDA program would be included in the next revision of the TRS Handbook and customized literature referencing both VALIC and TRS be prepared.

The TRS staff and VALIC would work together to develop retirement planning seminars. Seminars would include the following topics: pension maximization, Teachers' Retirement System purchase of additional service, severance pay issues, retirement needs analysis and the tax issues relative to retirement options and supplemental savings. The board discussed the marketing and the pre-retirement planning proposals at some length. There being no objection the board directed the staff of TRS to work with VALIC to market the TDA program and to develop pre-retirement planning seminars provided this could be done within the budgetary constrains of the TRS.

Retirement Membership - Pine Hills and Mountain View Schools. Mr. Donald Lee petitioned the Teachers' Retirement Board for membership under the Teachers' Retirement System. Mr. Lee is the Director of Developmental Services at Pine Hills School. The Executive Secretary recommended the board defer any action on this request until the staff has had an opportunity to work with the Department of Family Services to identify all possible positions within the two schools that may be eligible for TRS membership. Mr. Corbin moved to adopt the recommendation of the Executive Secretary. Mrs. Egli seconded the motion which passed.

Service Credit - Paul Visscher. Mr. Visscher is a part-time employee with Montana State University. Service credit reported on behalf of Mr. Visscher varies from year to year while total salaries reported do not vary. A review of Mr. Visscher contracts indicated that in some years salaries reported correlated to his contract in regards to base salary and FTE. In other years base salary and FTE do not correlate to the contracts while the salaries reported to the Teachers' Retirement System remained the same as the preceding year. The contracts in these years do not provide a basis for determining service credit. The Executive Secretary recommended for any year in which there is no reliable base available upon which to determine service credit, that service credit be determined by comparing salaries reported with the previous year and that service credit be determined accordingly. Mrs. Egli moved to adopt the recommendation of the Executive Secretary. Mr. Corbin seconded the motion which carried.

Minimum Benefit Adjustment. The 1985 legislature adopted a minimum benefit of $400.00 for all retirees and beneficiaries receiving benefits and retired prior to July 1, 1971. The retiree must have been age 60 and had completed 30 years of service at the time of retirement. The Executive Secretary explained that in calculating the minimum benefit, adjustments were made to the $400.00 minimum if the survivor's benefits provided for a 1/2 or 2/3rd reduction in the retirement benefits upon the death of either the member or the beneficiary. In those cases where the member or beneficiary had died the minimum benefit was reduced according to the option selected, either 1/2 or 2/3rds. He stated this was actuarially sound, however, it didn't meet the letter of the law and recommended that benefits be adjusted for all eligible recipients retroactive to July 1, 1985, provided they were eligible for the $400.00 minimum retirement benefit. Mr. Corbin moved to pay the minimum benefit to all eligible current recipients retroactive to July 1, 1985. Mrs. Egli seconded the motion which passed.

Reporting Grant Income to TRS. Arnie Silverman requested that wages received through his employment with the National Science Foundation be reported to the Teachers' Retirement System. Mr. Silverman is currently on leave of absence without pay from the University of Montana and working for the National Science Foundation under a grant he received. Mr. Silverman's wages are not currently reported to the Teachers' Retirement System because his employer is not eligible to participate in the Teachers' Retirement System. Legislation would be required to allow the reporting of grant income paid by an employer outside of the retirement system. After a brief discussion Mr. Kranick moved to oppose legislation allowing the reporting of income paid by outside employers. Mr. Corbin seconded the motion which carried.

Remodeling Lower Level. The Information System Division, Department of Administration, requested permission to make some changes to the basement of the Teachers' Retirement System. These changes would include construction of two temporary walls to create a classroom for the Department of Administration DP Training Center. ISD would pay the cost for remodeling. Mr. Corbin moved

to approve the request and have the board's attorney draft an agreement. Mr. Kranick seconded the motion which carried.

Approval of Application of Benefits - Regular Retirements, Survivorships and Adjustments. Mr. Corbin moved to approve the regular retirement, survivorships, and adjustments. Mrs. Egli seconded the motion which carried unanimously.

Disabilities.

Janice Hall - The board reviewed the application and attending physician's statement. After a brief discussion Mr. Corbin moved to request further information from a neurologist and that the application be presented for the board's review at the next regular meeting. Mrs. Elgi seconded the motion which carried.

Tom Prater - Mr. Prater's application had been approved by a subcommittee of the Teachers' Retirement Board in November 1989. Following a brief review of the circumstances surrounding Mr. Prater's disability Mr. Corbin moved to approve the actions of the subcommittee for disability retirement. Mrs. Egli seconded the motion which carried.

The next meeting date. There being no objection Mr. Cowan directed the next regular meeting of the Teachers' Retirement Board be scheduled for Thursday, May 24, 1990.

Mrs. Egli requested the board reconsider Mr. Bruce Russell's request for membership. There being no objection, the board reviewed his eligibility for membership under the TRS statutes. Following a brief discussion, Mr. Kranick moved to deny Mr. Russell's request to purchase his previous experience. Mrs. Egli seconded the motion which carried.

The meeting was adjourned.

Chairman of the Board

Executive Secretary

EXECUTIVE SECRETARY'S REPORT
February 6, 1990

House Bill 421, introduced by Representative Richard Nelson at the request of the Montana Retired Teachers' Association, provided for an annual increase in retirement benefits for retirees of the Teachers' Retirement System, Public Employees' Retirement System, Sheriffs' Retirement System and Game Wardens' Retirement System who have been receiving benefits for 24 months and are at least age 55 or receiving a disability or survivor benefit as of June 30 of each year. Effective with the January 1990 payments, 5,536 eligible recipients of the Teachers' Retirement System will receive an average increase of approximately 1.87% or $11.11 per month. The total annual increase to be paid during the first year will be approximately $738,250.00.

Mary Harrington and myself spent three evenings in Great Falls discussing the impact the strike would have on future retirement benefits with teachers who had been on strike last fall. The Teachers' Retirement System requires that 180 days of service during a fiscal year (July 1, - June 30), including summer school, be reported before members are eligible to receive a full year's service credit. Members reported for less than 180 days, because of the strike, may purchase the additional days required to receive one full year's service credit. In most instances, this will be 5 days in Great Falls for 1989-90. However, the salaries lost due to the strike cannot be recovered under the Teachers' Retirement System.

Pursuant to Montana law, the cost to purchase strike time is the combined employee and employer rate of 14.503% of the member's daily rate of pay, times the number of days required to make up 180 days. Following the 1989-90 school year the school district will provide the retirement system with a report verifying the number of days reported for each member and their daily rate. The system will then calculate the cost to purchase strike time and furnish this information to the GFEA. Members may take until the time they retire to fully pay for the strike time. However, interest will be charged if payment is not received by June 30, 1991. Interest accrues on the unpaid balance, as of July 1 of each fiscal year, at the same rate as that credited to active member accounts. This rate is currently 7%.

Should they purchase the strike time in order to receive a full year's service credit for the 1989-90 school year? It depends on their circumstances. If 175 days are reported for the 1989-90 school year, members would receive .97 years service credit under the TRS. If a member anticipates retirement after exactly 25 years, with full retirement benefits before age 60, they must buy the additional time. Members cannot retire with full benefits at any age with 24.97 years service credit.

Members who do not need the service credit to qualify for retirement benefits should purchase this service only if they feel the enhancement in future retirement benefits is worth the cost to purchase the strike time. If the strike time is purchased, the member will have a full year's service credit for the 1989-90 school year. If the salaries reported for this year would result in their highest average final compensation, it may be to their advantage to purchase the strike time. If the salary reported for the 1989-90 school year would not be used in the calculation of average final compensation, then the additional time purchased may only provide for a very modest increase in retirement benefits and may not be worth the additional cost.

Sue Robinson Helt received a letter from the Teachers' Retirement System in September 1984 misquoting the cost to purchase 4.51 years of out-of-state teaching service. Ms. Helt was quoted a cost of $2,972.24 when the letter should have stated $8,972.24. The board reviewed this matter at the regular meeting in October 1989 and adopted the recommendation of the Executive Secretary to waive the interest that has accrued or $2,933.25. Ms. Helt was advised of the board's decision, however, in November 1989 Ms. Helt contacted the Executive Secretary and stated that for personal reasons she preferred to withdraw the contributions that had been deposited toward the purchase of out-of-state teaching service. This withdrawal was authorized by the board chairman and processed on November 9, 1989.

Since August 1989 we have been working with the University System to identify procedures for establishing membership under the Teachers' Retirement and Public Employees' Retirement Systems. Under the current board policy all employees of the University System with Regent's Contracts are required to be members of the Teachers' Retirement System. This policy has resulted in vested PERS members being transferred to the Teachers' Retirement System.

With adoption of House Bill 159 during the regular 1989 session members transferring PERS service to the Teachers' Retirement System are required to make an additional contribution to TRS of approximately 2% per year of PERS service. In lieu of making the additional contribution a member may elect to receive proportional credit for PERS service transferred based on the ratio between the contribution rates of the two systems.

The TRS and PERS administrators recommended a four step procedure under which it will first be necessary to review the 415 positions in question without regard to their Regent's Contract status or their current retirement membership status. This review is to be conducted by each of the units of the University System for future hires only. Then the retirement system administrators and the board members will look at all positions in question and if, in their opinion, an inequity has been created, determine what action if any should be taken to provide equity. This could be an election by an individual or on an individual basis or simply board action in response to a petition by a member. This proposal was made in September and was agreed to by Dave Evenson of the University System.

In December 1989 we received a counter proposal from the University System. This proposal basically proposes that all vested PERS members hired under a Regent's Contract be granted a one time option to elect to remain in PERS or to elect to transfer to TRS and pay the applicable cost of the transfer. Non-vested PERS members or members without previous PERS service would be required to be members of the Teachers' Retirement System and pay any costs if required. Secondly, the University System has proposed that personnel advised to transfer from PERS to TRS as a result of House Bill 159 will be given a one time option of returning to their original plan without loss of vesting, contributions or service credit or to stay with TRS and pay the applicable cost to transfer. Out-of-state personnel hired under the Regent's Contract positions will become members of the Teachers' Retirement System or the optional retirement plan.

On Friday, February 2, 1989, a joint committee of the Teachers' and Public Employees' Retirement Boards met with representatives from the University System. There was an agreement on all proposals except that made by the University System to grant an option to elect retirement system membership to all vested PERS members. It was agreed that each unit of the University System would submit proposals for defining retirement system membership by position or by classification of positions. It is hoped that we may work from these definitions to provide for a basic policy that will determine membership without resulting in the transfer of members from PERS to TRS, except when circumstances of transferring are under the control of the individual employee. It was also agreed that we would write the systems actuary and request his comments on this proposal to allow for the election of retirement system membership and for alternatives to paying the additional cost for members transferring from PERS to TRS.

Connie Griffith, accountant, resigned her position with the Teachers' Retirement System effective January 26, 1989. The position has been recruited for and it is hoped that a new accountant can be found by February 9, 1989.

RETIREMENT LISTING

RETIREMENT APPLICATIONS - OCTOBER 1989

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Holmes, George N.	07-01-89	Big Horn	10.00	63	4,151.27	II	496.23
Kirchner, Barbara A.	07-01-89	McCone	13.16	56			101.17
Watson, Clifford A.	10-01-89	V.R.	15.10	60			181.86
Woodard, Malcolm D.	10-01-89	Missoula	16.30	62			750.17

SURVIVOR APPLICATIONS - OCTOBER 1989

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Cestnik, Benjamin	05-01-89	U of M	20.00	13	6,941.16	I	833.86
Survivor of Sandra Copeland				45			
Kochner, Curt W.	10-01-89	Yellowstone	5.07	41			190.23
Survivor of Sue Ann Kochner				40			

ADJUSTMENTS - OCTOBER 1989

	RETRO TO	FROM	TO
[redacted]sher, Ray A. Increase in benefit to reflect additional salary transfer from PERD.	07-01-89	2,172.90	2,221.66
Gallik, Raymond D. Increase in benefit to reflect actual 87-88 salary.	07-01-88	1,174.59	1,180.67
Lamb, June M. 87-88 contract salary over-stated on application. Adj. to reflect correct salary.	07-01-88	759.65	755.51
Nordlund, James Retiree not elegible for benefits until 8-1-89 as he used sick leave until 7-31-89. Benefit will increase due to additional service credit and salary.	05-01-89	1,779.97	1,816.71
[redacted]son, Barbara A. [redacted]ncrease in benefit to [redacted]eflect the use of actual salary paid 87-88.	07-01-88	877.72	887.93

[redacted]oor, James D. Increase in benefit to reflect retiree change in option from 2A to 2C.	07-01-89	1,548.82	1,600.43
Thibeault, Robert J. Increase in benefit to reflect Option I termination pay.	09-01-88	1,810.40	1,932.59
Thurston, Robert V. Increase in benefit to reflect use of actual 88-89 salary.	04-01-89	2,666.24	2,683.68

RETIREMENT APPLICATIONS - NOVEMBER 1989

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Drew, Leslie	09-01-86	V. R.	13.59	60	1,611.00	I	369.56
Gran, Rose E.	11-01-89	V. R.	19.68	50			464.84
Schlieve, Elizabeth	07-01-89	Hill	12.84	54			92.17
Seibert, Richard	11-01-89	Lake	26.50	55			1,064.66
[redacted]eske, Jacqueline	10-01-89	Yellowstone	29.11	51	6,465.60	I	1,088.12

ADJUSTMENTS - NOVEMBER 1989

	RETRO TO	FROM	TO
Cameron, Helen J. Increase in monthly benefit to reflect the purchase of .33 yrs. additional serv. credit.	07-01-89	987.84	1,002.65
Fischer, Florence Benefit recalculated to utilize termination pay and 87-88 salary.	07-01-88	1,568.37	1,568.97
Harsbarger, Clyde Additional contributions [redacted]nder Opt. II with regard [redacted]o termination pay.	07-01-88	1,062.65	1,067.57

hnston, Donald enefit increased due to oard ruling changing from regular retirement to a disability retirement.	01-01-89	911.42	1,047.61
Jutila, Charlotte P. Benefit to decrease to reflect use of actual 87-88 salary. Salary overstated by amount of termination pay.	07-01-88	390.27	386.73
Schlatter, Eugina P. Benefit reduced to reflect actual salary. Teacher took leave-without-pay.	07-01-88	1,193.46	1,184.48

RETIREMENT APPLICATIONS - DECEMBER 1989

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
fer, Carl	12-01-89	State Dept.	25.27	55	20,383.40	III	1,323.60
Gee, Sharon A.	11-01-89	Silver Bow	17.78	50			316.19
Sampsel, Christine	05-01-88	V. R.	9.06	60			135.40
Sanders, Bette S.	12-01-89	Lincoln	12.50	60			286.56
Wolny, Kathryn C.	03-01-89	V. R.	12.00	60			237.76

ADJUSTMENTS - DECEMBER 1989

	RETRO TO	FROM	TO
Cameron, Helen J. Adj. to reflect use of termination pay under Option I.	07-01-89	1,002.65	1,069.24
Stannard, William A. Change in beneficiary and retirement opt due to death of beneficiary.		1,651.37	1,520.91
Heppner, Shriley J. Adj. to reflect use of ctual termination pay mount.	07-01-88	758.19	759.02

TEACHERS' RETIREMENT BOARD MEETING

May 24, 1990

Chairman Cowan called the meeting to order at 9:00 a.m. in the office of the Teachers' Retirement System. Those present were:

Jim Cowan, Chairman
Virginia Egli, Active Teacher
LeRoy Corbin, Active Teacher
John Kranick, Retired Teacher
Verna Green, Public Member
David Senn, Executive Secretary
Mary L. Harrington, Assistant Executive Secretary
David Hartman, MEA
Tsugio Ikeda, Co. Superintendent, Great Falls
Lewis Smith, Legal Counsel
Beda Lovitt, (attended on behalf of Nancy Keenan)

Approval of Minutes for February 16, 1990. Chairman Cowan asked for corrections or additions to the minutes of February 16, 1990. Mr. Corbin moved for approval of the minutes as presented. Mrs. Egli seconded the motion which carried.

Financial Statements, Budget Report and Investments. Mr. Corbin moved for approval of the reports as presented. Mr. Kranick seconded the motion which carried.

Executive Secretary's Report. David Senn reviewed the report submitted and added electronic fund transfers would soon be available to benefit recipients. This change is made possible through program enhancements made by the State Auditor's Office. The new system will be tested during the months of June and July with full implementation scheduled for the July or August.

OLD BUSINESS:

Ira Hammond - 10% Statutory Cap. The Executive Secretary briefly reviewed the board's action of February 16, 1990, in which they denied Mr. Hammond's request for an exemption to the 10% statutory cap. Mr. Hammond was present requesting the board reconsider their decision. Mr. Hammond stated that while the contract for 1989-90 read administrative duties, he had preformed the additional services during the months of August 1989 and June 1990 and the contract should have read summer employment. He stated he did not consider the duties to be administrative, they were things that needed to be done in preparation for his leaving. The board expressed their desire to make an exception for on-going regular activities within the school district, but not to allow isolated increases granted to selected individuals during their last years of employment. Following further discussion, Mr. Kranick moved to re-affirm the board's action of February 16, 1990, denying Mr. Hammond's request for an exception under the 10% statutory cap. Motion was seconded by Mr. Corbin and passed unanimously.

TRS Membership for University Employees. The Executive Secretary introduced LeRoy Schramm, representing the Board of Regents. The Executive Secretary explained that an agreement had been reached for determining retirement system membership under which individual positions would be reviewed and the proper retirement system, TRS or PERS, decided. Individuals currently holding these positions would be grandfathered under the retirement system they are currently a members of. Individuals who felt they had been disadvantaged because of the recent changes in the Board of Regent's contract policy or because of House Bill 159 requiring additional contributions for transfers from PERS to TRS would be given the opportunity to petition the board for retirement system changes. Any review process would be conducted by a joint committee of the Teachers' Retirement and the Public Employees' Retirement Boards. Also, the Executive Secretary recommended the Teachers' Retirement Board draft legislation repealing the 2% additional contribution required for members transferring from PERS to TRS retroactive to the effective date of House Bill 159 or October 1, 1989. It was also recommended that the board repeal the current policy requiring all employees of the University System, holding a Board of Regent's Contract, become members of the Teachers' Retirement System. Mr. Schramm spoke in support of the comments made by the Executive Secretary. After a brief discussion, Chairman Cowan directed that legislation be drafted to repeal the additional employee contribution required for transfers between systems and that the Executive Secretary continue to pursue the course of action outlined.

County Superintendents. The Executive Secretary reported that he met with the County Superintendents' Association on April 19, 1990, to review the issue of TRS membership for county superintendents. He stated it was his impression that the Association was generally supportive of requiring all county superintendents to be members of the Teachers' Retirement System. However, to impose this requirement at this time would create a hardship for those individuals currently running for office and relying on the current policy which allowed them to elect either TRS, PERS or no retirement coverage. It was explained that this policy allowed retired TRS members to hold the Office of County Superintendent without forfeiture of their retirement benefits. The Executive Secretary recommended that legislation be drafted stating that county superintendents must be members of the Teachers' Retirement System but would be allowed to elect not to participate if receiving retirement benefits under TRS. Tsugio Ikeda representing county superintendents stated that next year five counties would consolidate the position of superintendent with the treasurer's position and in time all county superintendents would be gone. He recommended that in light of the fact county superintendent positions were changing the board should not take any action and allow the current policy to continue. Following further discussion, it was the consensus of the retirement board to continue the current policy.

TRS Membership, Donald Lee - Pine Hills School. Mr. Lee petitioned the retirement board to find that his position with Pine Hills School as Institutional Service Manager II should be covered under the Teachers' Retirement System. The board reviewed the documentation submitted by Mr. Lee as it related to the goal of the Teachers' Retirement System of providing retirement benefits to Montana educators. The board reviewed the Teachers' Retirement statutes regarding membership and determined that Mr. Lee's position would have to meet the criteria established for administrative officers. For an administrative officer position to be eligible for membership the board determined that the position must have a significant degree of executive or policy making authority and appointments must be based upon required training or experience in the field of education. Virgil Dixon, Personnel Officer for the Department of Family Services, wrote on February 15, 1990, that training or experience in the field of education would not be a requirement for Mr. Lee's position. Mr. Kranick moved to deny Donald Lee's request for membership under the Teachers' Retirement System. Mrs. Egli seconded the motion which carried.

Purchasing Additional Service - Bruce Russell. On February 16, 1990, the board denied Mr. Russell's request to purchase service credit for employment with the University of Montana. Mr. Russell petitioned the board to reconsider their decision. The Executive Secretary stated that copies of the University's microfilm records had been obtained which clearly showed the positions were student positions and not eligible for membership currently or at the time of Mr. Russell's employment. In support of his petition Mr. Russell stated that he had been a Montana certified teacher since July 1, 1971. He held the position with the University of Montana as a graduate assistant from January through March 1972 and from September 1972 through May 1973. During this time he taught two classes, Social Problems and Principles of Sociology. Dr. Anderson verified in his letter of November 1, 1989, that these courses were considered 1/3 FTE per quarter. He compared his experience to that of a substitute teacher for which the law allows TRS membership. The reasons for his petition and supporting documentation were outlined in Mr. Senn's letter of March 6, 1990, and Mr. Russell's letter of March 8, 1990. Copies of these letters were submitted to the board prior to the meeting. Mr. Kranick moved to reaffirm the board's decision of February 16, 1990, and deny Mr. Russell's request to purchase service credit for his employment with the University of Montana. Mr. Corbin seconded the motion which passed.

NEW BUSINESS:

Eligibility for Post-retirement Adjustment. The Executive Secretary explained the office had received two requests for the board to allow payment of the post-retirement adjustment on retroactive benefits. The individuals in question, Gordon Julian and Carol Morris, had retired retroactive to July 1, 1987. To qualify for the post-retirement adjustment members must have received 24 consecutive months benefits prior to June 30, 1989.

Mr. Julian was present and explained that he had not applied for benefits prior to July 1, 1987, because of pending legal action with Montana State University. He felt, had he applied for retirement benefits on July 1, 1987, this action would have jeopardized his claim against the University. Mr. Corbin moved to grant Mr. Julian's request for the post-retirement adjustment. Mrs. Green seconded the motion. Mrs. Egli stated that she felt the board should first clarify their policy regarding the 24 consecutive monthly receipt requirement and asked that the motion be tabled. The Chairman stated that there being no objection the motion would be tabled to allow for review of the board's policy. Mrs. Egli moved the board continue their current policy requiring members receive 24 consecutive monthly benefits to be eligible for the post-retirement adjustment but that they consider individual petitions and allow exceptions when it can be shown that circumstances beyond the members control lead to the later application and retroactive benefit payment. Mrs. Green seconded the motion which passed. Chairman Cowan then asked the board to consider the previous motion to grant Mr. Julian's request for payment of the post-retirement adjustment. Following a brief discussion the motion passed.

Carol Morris. Mrs. Morris stated in her petition for consideration of the post-retirement adjustment that she did not apply for retirement benefits effective July 1, 1987, because she was applying for a disability benefit which must be reviewed by the board prior to payment and that the board was not scheduled to meet until October 31. She also stated she was purchasing additional service and felt that this payment should be finalized before applying for retirement benefits. Mrs. Egli moved to grant the post-retirement adjustment to Mrs. Morris. Mrs. Green seconded the motion which passed.

The Executive Secretary advised the board that he and Lewis Smith had responded to a complaint to the Human Rights Commission from Debra Arneson regarding the post-retirement adjustment. Mrs. Arneson did not receive the post-retirement adjustment because she did not meet the age requirement of 55. Mrs. Arneson had filed her complaint based on age discrimination. Lewis Smith stated he did not feel the post-retirement adjustment was discriminatory under the Human Rights statutes and the proper response had been filed.

Error in Crediting Military Service, Request to Waive Interest - Sidney Sulser. In January 1973 Mr. Sulser received a letter from the Teachers' Retirement System stating he was eligible to receive 2.83 years of military credit at no cost. This service was incorrectly credited to his account as 5.83. Mr. Sulser was recently advised of the error and that he was eligible to receive three years of military service at no cost. He was also advised that he could purchase .9 years of military service at a cost of $381.72 plus accrued interest of $697.74 for a total due of $1,079.46. Mr. Sulser petitioned the board to waive the accrued interest. Mr. Corbin moved that the board waive 1/2 of the interest that accrued since 1973 stating that Mr. Sulser should have realized that an error had been made when his annual statement

indicated military service had been credited at the rate of 5.83 years. Had this error been called to our attention in 1973 by Mr. Sulser, we would have had the opportunity for correction earlier. Mrs. Egli seconded the motion which carried.

Request for List of New Retirees. Jim Van Meter requested he be provided a copy of the board minutes in which persons eligible for Teachers' Retirement benefits are approved. The Executive Secretary stated the information is public information and is available for inspection in the office. He recommended that anyone wishing a copy be charged $ .20 per page plus a $5.00 handling and mailing fee. Mr. Corbin moved to adopt the recommendation of the Executive Secretary. Mrs. Egli seconded the motion which carried.

1990-91 Interest Rate Credited to TRS Member Accounts. Mr. Corbin moved the Teachers' Retirement Board credit interest at the rate of 7% per annum on all TRS accounts. Mrs. Egli seconded the motion which carried with Mr. Kranick abstaining.

NCPERS Conference Report. Mary Harrington and James Cowan attended the 1990 NCPERS Conference in Orlando, Florida. They reported the conference was informative with federal regulation of public pension plans continuing to be the dominant topic.

1990 NCTRS Conference Delegates - Baltimore, Maryland. Mr. Corbin moved that John Kranick and David Senn represent the Teachers' Retirement System at the 1990 NCTRS Conference. Mrs. Egli seconded the motion which carried.

VALIC Contract. The Executive Secretary reviewed Mr. Roger Koch's letter of March 28, 1990, the responses received from VALIC and the consultant, Tom Cavanaugh, and his draft response to Mr. Koch. Following a brief discussion the Chairman directed the suggested response as presented by the Executive Secretary be sent to Mr. Koch.

The Executive Secretary also reviewed information received from John Wing, Unit Manager, VALIC, informing the board that since they had contracted with the Teachers' Retirement Board for administering the TRS/TSA they had picked up between 30 and 34 new clients and two new employers, Wibaux School District and Dawson Junior College. Of the reply cards that were sent out to members with the letter advising them of the change in administration of the teachers' tax-deferred annuity program, we have received approximately 600 cards from people who are interested in reviewing the TRS/VALIC program.

Approval of Application of Benefits. Mr. Corbin moved to approve retirement applications for regular and survivor benefits and the adjustments as presented. Mrs. Egli seconded the motion which carried.

Disabilities.

Ellen F. Cook. The board reviewed the application and attending physician statement for disability. Mr. Corbin moved to approve the application for disability benefits. Mrs. Egli seconded the motion which carried.

Janette D. Dilworth. The board reviewed the application and attending physician statement for disability. Mr. Corbin moved to approve the application for disability benefits. Mrs. Green seconded the motion which carried.

Roger F. Eble. The board reviewed the application and attending physician statement for disability. Mrs. Egli moved to approve the application for disability benefits. Mr. Corbin seconded the motion which carried.

Nancy E. Ellis. The board reviewed the application and attending physician statement for disability. Mrs. Egli moved to approve the application for disability benefits. Mrs. Green seconded the motion which carried.

Janice Hall. The board reviewed the application and attending physician statement for disability. Mr. Kranick moved to request additional information from a neurologist and that the board pay for the cost of the exam and reasonable travel expenses. Mrs. Egli seconded the motion which carried.

Dwight L. Gauger. The board reviewed the application and attending physician statement for disability. Mr. Corbin moved to approve the application for disability benefits. Mr. Kranick seconded the motion which carried.

Orin Robert Olson. The board reviewed the application and attending physician statement for disability. Mr. Corbin moved to approve the application for disability benefits. Mrs. Green seconded the motion which carried with Mr. Kranick abstaining.

JoAnne M. St. Martin. The board reviewed the application and attending physician statement for disability. Mrs. Egli moved to approve the application for disability benefits. Mr. Kranick seconded the motion which carried.

Edward A. Thomas. No motion was made on the disability application of Mr. Thomas. The Chair directed that additional information be requested.

Jacqueline Zieske. The board reviewed the application and attending physician statement for disability. Mr. Corbin moved to approve the application for disability benefits. Mrs. Egli seconded the motion which carried.

Disability Reviews.

Donald G. Rude. The board reviewed the attending physician's statement submitted by Mr. Rude and noted that Dr. Canty stated that he was able to seek gainful employment but should avoid employment with heavy lifting. Mr. Kranick moved that additional clarification be requested and that legal counsel write Mr. Rude advising him of his rights should the board find that his disability benefits should be terminated. Mrs. Green seconded the motion which carried.

Byron J. Courser. The board reviewed the attending physician's statement submitted. Because of his condition, the staff recommended that future disability reviews be discontinued for Mr. Courser. Mr. Corbin moved to continue the disability benefits and to direct that staff write the institution in which Mr. Courser is currently hospitalized requesting information required for future disability review.

Upon adjournment Chairman Cowan set the next meeting date for Friday, August 10, 1990.

Chairman

Executive Secretary

EXECUTIVE SECRETARY'S REPORT

David L. Senn
May 17,1990

We were asked to review a proposed school district policy regarding the payout of accumulated sick leave as that policy would relate to the TRS termination pay provision. The proposed policy calls for a 75% payout of accumulated sick leave up to one hundred hours for calculating any TRS retirement benefit. The policy provides that if the employee elects either Option I or II the employers contribution is deducted from the lump sum payment. This policy would limit the employers obligation to only the payment of accumulated sick leave and not for any additional employer contribution due TRS. Lewis Smith and I reviewed the policy and determined it would not conflict with the Teachers' Retirement Act regarding termination pay and average final compensation.

As a result of the review several other questions have been raised such as, can a member use termination pay if it is not part of the three years used in the calculation of retirement benefits. For example, if termination pay is received at an earlier time, due to a change in employment, can the termination pay be used in the calculation of benefits several years later? Another question raised is, if a member's three highest years earnings occur earlier than their last three years, should we include the termination pay received in the last year in the calculation of benefits? The statute is not clear but I believe the member would have the option of using termination pay in the calculating of benefits notwithstanding when it was received. The board may wish to consider legislation that would clarify the use of termination pay.

In February we advised the board that a budget amendment of approximate $10,000 would be necessary to complete the remainder of fiscal year 1989-90. A complete review of the budget status revealed that the deficit for the current fiscal year would be approximately $27,000 and a budget amendment for this amount was requested. The budget office denied our request, stating that since administrative expenses are funded through interest earnings, these funds would have been available for legislative consideration and therefore do not meet the statutory requirements for a budget amendment. We have requested a budget supplement which would transfer spending authority from next fiscal year to this year. Additional spending authority for next year would require a supplement appropriation during the 1991 session.

We have had several staff changes since our last meeting. Donovan Schmidt, refund clerk, has left the TRS for a position with the Department of Revenue. Paul Smietanka has been reassigned other duties within the Department and Lewis Smith was appointed legal counsel for The Teachers' Retirement Board. Conrad Quale was hire as the accountant to replace Connie Griffith. Conrad has since resigned for personal reasons. We are advertising for the position of accountant and refund clerk.

RETIREMENT LISTING

[redacted]TIREMENT APPLICATIONS - JANUARY 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Brooner, Carlene	01-01-90	Flathead	35.58	65	0.00		1,231.31
Campbell, Beathe	07-01-83	V.R.	23.73	54	0.00		246.17
Coats, Carol H.	01-01-90	Missoula	16.33	63	3,500.00	I	780.87
Heiser, Ed A.	05-01-88	V.R.	17.53	50	0.00		377.49
Holm, Dean D.	01-01-90	U of M	27.67	57	14,012.17	II	1,312.13
Kruger, Lawrence	02-01-88	V.R.	13.11	60	0.00		202.06
Lanfear, Pat S.	07-01-86	V.R.	15.56	53	0.00		283.31
Larson, Wayne L.	01-01-90	MSU	25.17	63	17,868.00	I	1,563.62
Lawston, Don W.	01-01-90	Missoula	32.67	61	21,448.90	I	2,122.32
Nelson, Charles E.	10-01-85	V.R.	11.00	60	0.00		123.38
West, Albert E.	01-01-90	Silver Bow	30.46	56	12,000.00	I	1,517.75

ADJUSTMENTS - JANUARY 1990

	RETRO TO	FROM	TO
Osborn, Grace K.	07-01-87	609.15	611.92
Increase in benefit to [redacted]eflect use of actual 5-86 salary.			

RETIREMENT APPLICATIONS - FEBRUARY 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Andersen, Sara A.	02-01-90	Missoula	30.52	52	8,669.25	I	1,614.98
Bull, Alyce J.	02-01-90	Silver Bow	20.61	66	10,083.84	III	793.31
Elison, Larry	02-01-90	U of M	27.85	57	10,277.69	I	2,173.72
Harrell, Mary A.	02-01-90	Lewis & Clark	19.56	63	1,299.89	I	697.81
Iverson, Glenn A.	01-01-90	EMC	30.94	53	6,338.65	I	1,215.82
King, Joyce J.	02-01-90	V.R.	15.00	60	0.00		172.13
Kropp, Donna B.	07-01-89	Cascade	17.00	52	0.00		328.70
Lukes-Havens, Donna	02-01-90	Lincoln	25.09	51	15,958.00	I	1,202.91
Machado, Manuel A.	09-01-89	U of M	23.64	50	0.00		1,133.03
Setala, Whitney W.	02-01-90	V.R.	24.00	50	3,111.04	I	989.83
Slager, Barbara	10-01-88	V.R.	5.44	60	0.00		79.12

[redacted]JUSTMENTS - FEBRUARY 1990

	RETRO TO	FROM	TO
[redacted]oyer, Thomas E. Benefit to increase to reflect use of termination pay under Option I.	07-01-88	1,453.83	1,475.66
Hunter, Dorothy V. Increase in monthly benefit to reflect use of actual termination pay.	08-01-89	926.26	928.57
Swimley, Alison C. Benefit adjustment to reflect actual 87-88 salary.	07-01-88	1,231.99	1,242.61

RETIREMENT APPLICATIONS - MARCH 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Bergum, J. Allan	07-01-89	NMC	20.42	56	8,687.21	III	716.68
[redacted]enn, Avery L.	08-01-89	V.R.	15.00	60	0.00		274.32
[redacted]mmer, Carol V.	02-01-90	Richland	25.02	58	2,489.06	III	969.28
[redacted]rvis, Arletta	03-01-90	Cascade	13.67	61	0.00		466.64
Ryti, R. Gary	02-01-88	V.R.	17.92	50	2,509.00	III	317.99
Sims, Wallace S.	02-01-90	Yellowstone	25.52	47	2,467.08	III	953.66
VanderLinde, Albert	05-01-89	V.R.	10.40	65	443.18	II	299.60
Visscher, SaraLee N.	01-01-90	MSU	31.67	61	9,797.00	I	1,906.02

ADJUSTMENTS - MARCH 1990

	RETRO TO	FROM	TO
Fender, Wilma M. Decrease in monthly benefit to reflect use of actual salary.	07-01-89	1,240.60	1,234.58
Roswurm, Melba L. Decrease in monthly benefit to reflect use of actual salary.	07-01-89	828.90	823.83
Sowden, Gerald W. Increase in benefit to reflect [redacted]tual termination pay.	07-01-88	1,476.96	1,477.60

[redacted]omas, Charlotte R. [redacted]nefit increase for use of [redacted]rrect salary.	07-01-89	973.73	982.39
Voorhis, John H. Increase in benefit to reflect use of correct option factor for one year younger.	09-01-89	1,476.19	1,496.88
Zieske, Jacqueline G. Decrease to reflect actual salaries - no termination pay amount.	12-01-89	1,088.12	1,004.66

SURVIVOR APPLICATIONS - MARCH 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Kipling, Merlin M.	07-01-89	Glacier	15.88	49			442.24
Survivor of Goldie E. Kipling				47			
[redacted]llems, Robert A.	01-01-90	Valley	6.25	40			137.66
[redacted]rvivor of Marcia T. Willems				41			

TEACHERS' RETIREMENT BOARD MEETING

August 17, 1990

Chairman Cowan called the meeting to order at 9:00 a.m. in Room 212 of the State Library. Those present were:

Jim Cowan, Chairman
Virginia Egli, Active Teacher
Craig Brewington, Superintendent
John Kranick, Retired Teacher
David Senn, Executive Secretary
Mary Harrington, Assistant Executive Secretary
Lewis Smith, Legal Counsel
Nancy Robbins, MEA
LeRoy Schramm, University System

Nancy Keenan and Verna Green were unable to attend.

Approval of the minutes for the May 24, 1990. Virginia Egli moved to approve the minutes. John Kranick seconded the motion which carried.

Financial Statements, Budget Report and Investments. The Executive Secretary briefly reviewed the financial statements with the board noting that the everything was going according to schedule. Craig Brewington moved to accept the financial statements. Virginia Egli seconded the motion which carried. Mary Harrington presented the budget for the 1992-93 biennium. John Kranick moved to accept the budget for the 1992-93 biennium as presented and Virginia Egli seconded the motion which carried.

Executive Secretary's Report. The board reviewed the Executive Secretary's Report. Lewis Smith updated the board on the Isadora Estes Estate reporting the bank had denied obligation for the overpayment made by the Teachers' Retirement System. John Kranick moved to proceed with filing suit against the bank for conversion of checks made payable to Isadora and Theodore Estes from August 1987 through January 1989. Craig Brewington seconded the motion which carried.

OLD BUSINESS

Donald Lee petitioned the board to reconsider its decision of May 24, 1990, to be a member of the Teachers' Retirement System. The Executive Secretary reported he and Lewis Smith had reviewed the statutes to see if there was any way to cover Mr. Lee under the Teachers' Retirement System. They found no correlation between Mr. Lee's position as an administrator and the requirements for coverage under the Teachers' Retirement System. Individuals are eligible if they are in an instructional services position. Craig Brewington moved the request for a change be denied. Virginia Elgi

seconded the motion which carried.

The Executive Secretary referred to the plans made for the remodeling of the basement for the data processing training center voted on at a previous board meeting. Currently ISD is uncertain of the plan and the Executive Secretary requested the board's permission to work directly with ISD on the decisions for change or remodeling. John Kranick made the motion Mr. Senn work directly with ISD and authorized to approve the remodeling of the basement. Mr. Brewington seconded the motion which carried.

NEW BUSINESS

Ron Hatcher - 10% Cap. Mr. Hatcher requested an exception be allowed in his case to the 10% cap because the school district increased his salary to cover the value of his housing, insurance and taxes to cover these amounts. The Internal Revenue changed their rules regarding taxation of housing and insurance allowances thus making it necessary for the school district to include these as wages. The Executive Secretary explained it was the intent of the legislature to limit the impact of isolated increases had on the Teachers' Retirement System when granted to selected individuals during their last years of employment. After some discussion Mrs. Egli moved to deny Mr. Hatcher's request for an exception to the 10% cap. Mr. Kranick seconded the motion which carried.

Myron Boucher - Calculation of Service Credit and Salary. Mr. Boucher completed 178.6 days of a 190 day contract. The Teachers' Retirement Board rules provide that service credit will be determined by dividing the number of days reported by 180. This resulted in service credit of .99 and salary of $30,341.00. Mr. Boucher is requesting that the calculation of service credit and salary be determined differently in his case because of illness. He is requesting the total service credit be determined as a percentage of his contract earned and using the same percentage to establish salary for the partial year when computing the final average salary. This calculation would result in .94 year service credit and salary of $32,278.00. By using Mr. Boucher calculation it would increase his benefit by $13.00 per month. Lewis Smith explained the board does have the authority to suspend this rule and that suspension does not change the rule. After a brief discussion John Kranick moved to deny Mr. Boucher's request. Virginia Egli seconded the motion which carried.

Loyal Carlson - Salaries Used in the Calculation of Retirement Benefits. Mr. Carlson requested that his appeal be postponed until the November meeting.

Larry Elison - Retirement Effective Date. Mr. Elison retired effective February 1, 1990, however, after a review of final contributions and salaries reported to the Teachers' Retirement System it was discovered that Mr. Elison was employed through

February 1, 1990. Mr. Elison had completed his contractual obligation as of January 26, 1990, but the University of Montana allowed Mr. Elison to terminate on February 1 to qualify for an additional month of insurance coverage. The Teachers' Retirement Act provides that retirement benefits are effective the first of the month following termination. The University is proposing that Mr. Elison repay the insurance and the one day of salary in order to retain his February benefit. The board referred the problem to the staff for clarification.

Executive Order. Governor Stephens, on July 19, 1990, issued on Executive Order curtailing all out-of-state travel that is not considered essential. Essential travel was defined as that "relating to or constituting an indispensable necessity for the operation of state government to attend an activity outside of the State of Montana". The order covers all boards and commissions who use general fund monies, proprietary funds or federal funds. This does not affect the Teachers' Retirement Board because TRS uses only interest earnings for travel expenses. However, they have requested that the Public Employees' and the Teachers' Retirement Systems achieve at least a 15% reduction in out-of-state travel.

The Executive Secretary explained there are two out-of-state trips for the Teachers' Retirement Board to consider; they are the National Council on Teachers' Retirement scheduled for the first week in October and the National Council on Public Employees' Retirement scheduled for April, 1991. The NCTR Conference had been approved for John Kranick and David Senn at the last board meeting. The Executive Secretary requested input from the board on their feelings for saving 15%. After some discussion, the board's consensus was to support the effort to cut the expenses but 15% savings may not be possible.

Approval of Application of Benefits - Regular Retirement, Survivorships, and Adjustments. Mrs. Egli moved to approve the regular retirement applications, survivorship applications, and the adjustments. Mr. Brewington seconded the motion which carried.

Disabilities.

Janice M. Fitzgerald - The board reviewed the application and Attending Physician's Statement. After a brief discussion Mr. Kranick moved to deny the application for disability until the board is in receipt of additional information regarding the permanence of Mrs. Fitzgerald's disability. Mr. Brewington seconded the motion which carried.

Janice Hall - The board reviewed the application and Attending Physician's Statement. The board had previously reviewed Mrs. Hall's disability and requested she see a neurologist. After reviewing the neurologist's statement Mrs. Egli moved to approve the disability benefits for Mrs. Hall. Mr. Kranick seconded the motion which carried.

/Nicholas W. McEnaney - The board reviewed the application and Attending Physician's Statement. Mr. Kranick moved to approve the disability application and Mr. Brewington seconded the motion, which carried.

Edward A. Thomas - The board reviewed the application and Attending Physician's Statements from the audiologist and medical doctor. Mrs. Egli moved to deny the application for disability and Mr. Kranick seconded, which carried.

Evelyn Gopher - The board reviewed the application and Attending Physician's Statement. Mrs. Egli moved to approve the disability benefits. Mr. Brewington seconded the motion which carried.

Continued Disability Review.

Donald Rude - The board reviewed Mr. Rude's continuing disability due to an Attending Physician's Statement stating he was able to seek gainful employment. After reviewing the additional information from two other doctors stating he is unable to seek gainful employment and discussion, the board requested the staff request information from Worker's Comp as to whether or not they pay benefits for someone with a correctable disability and look into what type of information a functional capacity evaluation provides.

Mr. Cowan announced that Dave Lewis and Jim Penner from the Board of Investments will be at the November meeting to explain what the investment board is doing to help the retirement system earn the best possible interest and the impact the taxation of security trade would have on the Teachers' Retirement System.

Mortgage Report. The Board briefly reviewed the Mortgage Report finding there were no areas of concern.

Legislation. Legislation to change the calculation of the contributions due for service credit transferred between the Public Employees' Retirement System and the Teachers' Retirement System. Employees transferring from PERS to TRS will be required to transfer their accumulated contributions at the time of termination under PERS plus accrued interest from the date of termination until contributions are received by the Teachers' Retirement System. The provisions requiring that members pay an additional contribution to the Teachers' Retirement System will be repealed retroactive to July 1, 1989. Employer contributions transferred from PERS to TRS will be 72% of the total employee's obligation. This percentage, as determined by the actuary, will provide adequate funding for all transfers received from the Public Employees' Retirement System.

The second bill is a general housekeeping bill. This bill repeals the requirement that all claims must have two signatures. Claims processed by state agencies are now processed electronically. There are checks and balances within this system for all claims. The second area of this bill concerns disability retirement.

Currently the law states the member must be an active member to be eligible for disability benefits. In the situations where individuals are covered for a period of time under their insurance and find they cannot return to work, they are soon an inactive member by TRS definition. Technically, they are not eligible for disability benefit. This bill will change the law to state a member must be disabled while an active member and may apply for disability benefits effective the first of the month following termination of employment.

It has also been requested that TRS allow the service transferred from PERS to be used in the calculation for purchasing one year of additional service for each five years of membership service. Since this service is fully funded by the member, there should be no problem in adopting this proposal.

Nancy Robbins, Communication Director, Montana Education Association, shared with the board MEA's opinions on the following issues proposed for legislation by the TRS:

1) Individual may use all or any portion of the amount they receive as termination pay in the calculation of retirement benefits. MEA would like to see this bill passed if the contributions liability remains the same for the employee and employer.

2) Establishing procedures for the distribution of retirement benefits in the case of divorce. MEA would generally support this proposal, but would like to see the final wording of the bill. The biggest draw back to this legislation is the cost of enhancing the Teachers' Retirement System's data processing to track this benefit.

3) The Teachers' Retirement System also received a request proposing legislation that would allow substitute teachers to elect not to be members of the Teachers' Retirement System regardless of the number of days worked. The MEA would be opposed to supporting this bill.

MEA is considering proposing legislation to buy salary, not just credit, for leave and strike time. The Executive Secretary requested a copy of this proposal to send to the Teachers' Retirement System's Actuary. After reviewing the impact this would have on the system, the board would consider the legislation at their next regular meeting.

LeRoy Schramm, Legal Counsel, University System, shared the University System's hopes for legislation. He requested a change in the calculation of final average compensation, possibly as part of the PERS transfer bill. This would address the problem of a person transferring from PERS to TRS with a lesser salary in their final years of employment. The PERS credit is creditable service, but in the circumstance where salary goes down when reported to TRS, the PERS salary cannot be used in the calculation of benefits.

He asked the board to make the statutory change in the definition of "final average compensation."

The Executive Secretary stated that he would look into finding out about the actuarial cost for the use of PERS salaries.

Lewis Smith, legal counsel, requested the board's approval for the Executive Secretary to work with him to review the Teachers' Retirement System's procedures used in reviewing cases. Lewis stated he would like to examine what the board is currently doing and make sure TRS is complying with the notice requirements given to members of their rights and opportunity to appear before the board. The board is obligated to provide notice of the time, place and nature of the hearing; document the legal authority and jurisdiction with which the hearing is being held; reference any statutes and rules; and give a statement of the intent of the hearing. This may require more formality when there is an appeal and this could lead to an amendment to the Administrative Rules. The board gave their support of Lewis' proposal.

The next meeting date. There being no objection Chairman Cowan directed the next regular meeting of the Teachers' Retirement Board be scheduled for Friday, November 16, 1990.

The meeting was adjourned.

Chairman

Executive Secretary

EXECUTIVE SECRETARY'S REPORT

August 6, 1990

Survivor Benefits - Rodney Butler. We recently received a copy of the Montana Supreme Court Order in the Rodney and Alberta Butler dissolution action. If you recall, Rodney died in June 1987 leaving Dale Butler as nominated beneficiary with the Teachers' Retirement System. We paid Dale survivor benefits from July 1, 1987, through November 30, 1988. At that time Judge Michael H. Keedy ordered that we stop payment. The Supreme Court Decision leaves Rodney Butler's Teachers' Retirement benefit 1/2 to each Alberta and Dale Butler.

When two or more beneficiaries are identified, the system treats each individually. The value of the account is determined, it is divided by the applicable interest and then each beneficiary is entitled to elect the option of payment they choose, i.e. lump sum or monthly annuity.

Since the Supreme Court has determined that there are two nominated beneficiaries of the Teachers' Retirement account, we determined it was best to recalculate the retirement benefits as of the date of death or July 1, 1987. Therefore, we have advised Judge Keedy of our intent to offer Alberta and Dale retroactive retirement benefits (Dale's benefit will be reduced for the value of previous benefits received). The lump sum payments are worth approximately $17,800.00, while monthly benefits would be approximately $520.00. We will proceed with payment of benefits once we have received Judge Keedy's Entry of Judgement.

Payment of Custodial Bank Fees. Historically the services provided by the state custodial bank have been paid out of interest accrued on the compensating balances in the treasurer's cash account. The account includes funds from various sources including the retirement systems. Dave Lewis, Executive Director, Board of Investments, suggested that the various interest bearing funds or accounts be charged directly for their share of the bank services. Theoretically this would result in the state paying lower fees for banking services and a more direct charging of those services to the accounts or funds that receive the service. However, under the proposal made by Mr. Lewis the interest earnings that are currently used to pay for bank services would not be credited back to the funds on whose money interest is earned. Charging for banking services and retaining interest earned seems to be in clear violation of the statutes of the Teachers' Retirement System. This proposal would have resulted in approximately $67,000.00 in additional cost charged to the TRS.

I advised the Director of the Department of Administration that the Teachers' Retirement Board would be opposed to any proposal to charge the Teachers' Retirement System for banking services while retaining the interest earnings. The Director has decided to make

no change in the payment method for banking services. However, we will study the impact of such an accounting change.

Great Falls Strike. As a result of the Great Falls strike, we had to adjust service credit for approximately 800 members of the Teachers' Retirement System. Janet Hatcher was in charge of this project for the office and should be commended for the excellent job she has done in completing the project in time for annual statements while maintaining her current workload. Amber Anderson and Lorraine Eby also provided a great deal of support in pulling files and looking up information.

For those members on strike during the 1989-90 school year the biggest loss in terms of retirement benefits is the loss of salary. The average member was reported for 174.7 days out of 190 day contract. The average daily rate of pay was $143.90. Since the Teachers' Retirement System requires only 180 days to receive a full year service credit, the average member only lost .04 years service credit. The average cost to purchase this service will be $110.33. We have advised the school district and the Great Falls Education Association of the cost for each member to purchase this service. We recommend that only those who need the service credit to reach 25 years and retire or those retiring within the next two years purchase the strike service.

Refund of County Superintendent Service - Richard Clower. During the board meeting May 24, 1990, the Teachers' Retirement Board took no action on the issue of requiring county superintendents to be members of the Teachers' Retirement System. However, in December 1989 Mr. Clower was advised that the Teachers' Retirement Board was likely to require that all county superintendents be members of the Teachers' Retirement System and that he should become a member immediately. Since the board did not take the anticipated action, I authorized a refund of Mr. Clower's service since December 1989.

We have advised the estates of John Moore and Isadora Estes that we intend to collect the overpayment of retirement benefits made after the death of the Teachers' Retirement System member. We have also advised the banks who accepted for direct deposit retirement benefits made payable to both the member and their beneficiary and believe that it is their obligation to repay retirement benefits on which they guaranteed endorsement of the named payees. To date the attorney for Mr. Moore's estate has advised that they do not feel any obligation to the Teachers' Retirement System to repay the overpayment and Mr. Moore's bank is questioning our authority to demand repayment. If we do not receive a positive confirmation by August 15th, we will file suit to recover the overpayment of retirement benefits.

Optional Retirement Plan Meeting of the University System. On Tuesday, August 7, 1990, Alton Hendrickson and myself met with representatives from the University System and TIAA-CREF. They were concerned with how we were to proceed with the statutory mandated study on the optional retirement plan and that we may be

looking for increases in the contribution rate the University System is paying the Teachers' Retirement System on employees who have elected to participate in the TIAA-CREF program. Alton and I assured them that it was our intuitive feeling that the study would result in no recommended change in the contribution rate. The University System explained that the employees feel that they are missing out on contributions currently being made by their employers to the Teachers' Retirement System and that these contributions should be contributed to TIAA-CREF on their behalf. They admitted their is an obligation for past unfunded liabilities that must be paid by the University System. We will work with the University System to recommend to the legislature reductions in this contributions rate as soon as we can determine that the current rate of 4.59% is not required. We do not believe the study with less than two years of data will produce those results at this time. However, we cannot support a reduction in the University's payment at the expense of the other members of the Teachers' Retirement System.

New Employees. Since the last board meeting we have had a number of staff changes. We have hired Staci Litschauer as the accountant to replace Conrad Quale and Amber Anderson as refund clerk. We have also received the resignation of Marjorie Rowley who was in charge of the coordination of data processing activity and active member accounts and of Sue Poyer who works with the retired payroll. We will be interviewing for these positions during the month of August and hope to have filled the positions by September 1.

Plug min

RETIREMENT LISTING

RETIREMENT APPLICATIONS - APRIL, 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Blomeyer, Phyllis	04-01-90	V. R.	13.67	60			317.72
Kumlien, Wade T.	04-01-90	MSU	6.33	65			255.95
Larson, Claudia J.	04-01-90	L & C	24.83	54	6,711.67	I	1,041.37
Marks, Douglas M.	04-01-90	Jefferson	39.15	63			1,572.27
Utzinger, Robert C.	04-01-90	MSU	13.00	56	12,178.35	I	768.54
Williams, Valeria	04-01-90	V. R.	13.00	55			305.73

RETIREMENT APPLICATIONS - MAY, 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Daniel, Sandra L.	05-01-90	Flathead	25.50	47			1,321.98
Engebretson, Carl R.	01-01-89	V. R.	17.00	60			381.67
Hayes, Ann A.	07-01-89	V. R.	11.34	60			173.59

[redacted]JUSTMENTS - MAY, 1990

	RETRO TO	FROM	TO
Arthur, George Benefit to increase to reflect use of actual 88-89 salary.	07-01-89	571.85	572.77
Behm, Ronald D. Increase in benefit to reflect use of actual salary.	07-01-89	1,662.80	1,696.68
Bivens, Mary K. Change in beneficiary due to divorce. Opt. #4A.	05-01-90	640.59	521.76
Brannon, Helen B. Decrease in benefit to reflect use of actual 88-89 salary.	07-01-89	1,559.41	1,556.36
Brooner, M. Carlene Increase in benefit to reflect [redacted]e of actual 89-90 salary.	01-01-90	1,231.31	1,234.49
[redacted]glow, Hubert A. [redacted]j. for use of actual term. pay Opt. and salary for 88-89.	07-01-89	1,618.52	1,380.96

ADJUSTMENTS - MAY, 1990

	RETRO TO	FROM	TO
Gran, Theodore M. Increase to reflect use of actual 88-89 salary.	07-01-89	1,226.70	1,228.60
Harcharik, Ronald Increase in benefit to reflect use of actual 88-89 contract salary.	07-01-89	1,115.79	1,117.52
Hoggatt, Daniel S. Change of Opt. from 2A to 2F to 2A due to the death of beneficiary and remarriage.	05-01-90	1,059.43	931.87
McNellis, Fred T. Change from 2A to 2H to reflect change of beneficiary - divorced.	05-01-90		
[redacted]outhern, Patricia J. Increase in benefit to reflect use of actual termination pay.	07-01-89	811.89	816.86
Utzinger, Robert Benefit to increase to reflect use of actual termination pay.	04-01-90	768.54	769.25
VanGorden, Rachel Adjust for use of actual term. pay.	07-01-89	1,169.10	1,161.63

RETIREMENT APPLICATIONS - JUNE, 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Hall, William B.	08-01-85	V.R.	9.50	60			73.94
Poore, Virgil R.	06-01-90	V.R.	10.67	60	3,926.94	II	656.87

EXECUTIVE SECRETARY'S REPORT

David L. Senn
November 9, 1990

Since our last board meeting Mary and myself have been busy meeting with groups of teachers of local school district and at the statewide teachers' convention. I also had the opportunity to meet with the retired teachers during their statewide convention in Billings. As would be expected, the retired teachers are most concerned with taxation of retirement benefits. During the convention the Retired Teachers' Association adopted a resolution opposing state taxation of retirement benefits. I have also met with several groups representing various public employees in the State of Montana and believe that some degree of compromise will probably be reached under which benefits are taxable in exchange for a cost of living adjustment or enhancement in retirement benefits.

The legislative auditors have completed their biennial audit of the Teachers' Retirement System and have not indicated any major discrepancies or areas of concern. I anticipate few, if any, audit recommendations.

The Governor's Budget Office has recommended approval of our 1992-93 budget as submitted by the Teachers' Retirement System. This budget will provide additional money for in-state travel to meet with teachers at the various school districts, enhancements to our data processing program, and the purchase of additional office equipment if approved by the 1991 legislature.

We have been advised by the First Bank System that they will not honor the provisions of our electronic transfer agreement obligating the banks to repayment of any benefits received once they have been notified of the death or change in account. They prefer the language to read they are only responsible for the balance of the account at the time claim is made. Paul Smietanka and I have reviewed their concerns and believe that the banks must be held responsible to notify the Teachers' Retirement System when they receive notice of the recipients death. If they do not advise the Teachers' Retirement System, they should then be held liable to repay all amounts deposited to the member's account. If the First Bank System will not agree to the terms that we have established, we will not provide electronic transfer services.

We recently received fiscal year end statistical report from the Variable Annuity Life Insurance Company showing the activity in the Montana Teachers' Retirement System's Tax-sheltered Annuity Program. In December 1989 we transferred approximately $4.9 Million and 250 TSA accounts to VALIC to administer on behalf of the Teachers' Retirement Board. Since this change in the administration of the program participation has grown by approximately 108 members and $2.4 Million. We are now seeing an inactive program revitalize, paying a higher rate of interest and providing timely and accurate information for the benefit of our members.

TEACHERS' RETIREMENT BOARD MEETING

November 16, 1990

Chairman Cowan called the meeting to order at 9:00 a.m. in the office of the Teachers' Retirement System. Those present were:

Jim Cowan, Chairman
Virginia Egli, Active Teacher
W. Craig Brewington, Active Teacher
John Kranick, Retired Teacher
Verna Green, Public Member
David Senn, Executive Secretary
Mary L. Harrington, Assistant Executive Secretary
Paul Smietanka, Legal Counsel
Tom Billadeau, MEA

Approval of Minutes for August 17, 1990. Chairman Cowan asked for corrections or deletions to the minutes of August 17, 1990. Mr. Brewington moved for approval of the minutes as presented. Mrs. Egli seconded the motion which carried.

Election of Officers. Chairman Cowan called for nomination for Chairman and Vice Chairman of the board. Virginia Egli nominated Jim Cowan for a second term as Chairman and John Kranick seconded the motion. Craig Brewington made a motion to amended the nomination to include Virginia Egli as Vice Chairman. John Kranick seconded the amended motion which carried.

Dave Lewis and Jim Penner from the Board of Investments were present to give a presentation to the board. Dave Lewis spoke on the administrative aspects and the cost of running the investment program. Mr. Lewis reported that the Teachers' Retirement System's portfolio made up approximately 30% of the total portfolio handled by the Board of Investments. Jim Penner's presentation was on the performance of the investments. Mr. Penner stated we are in a recession which started in July or August and does not feel it will be too long nor too deep. He projects the corporate profits will be down for this fiscal year but expects a resurge of about 25% in 1992 and in 1993 something in the neighborhood of 15%. Mr. Penner explained the different bonds, coupons, stocks and holdings of the Teachers' Retirement System. Following the presentations the board was given an opportunity to ask questions and discuss the information presented.

Mr. Senn reported that the TRS data processing system costs $100,000.00 to run each year. There are a number of problems with our current system and he has been looking into different systems that would be less expensive. Cyberserv has contacted Mr. Senn and offered to do a study on our data processing system for $750.00 plus travel expenses. The TRS budget does not have the funding for this expense, but the Minnie Fullam Fund it available for such expenses if the board approves. After discussing the options

available Craig Brewington moved to go ahead with a study done by Cyberserv for $750.00 plus travel expenses to be paid from the Minnie Fullam Fund. John Kranick seconded the motion which carried.

OLD BUSINESS:

Loyal Carlson - Calculation of Average Final Compensation. Loyal Carlson and J.C. Weingartner, legal counsel, were present to request the board reconsider using the salary for the 1988-89 school year in the calculation of Mr. Carlson's benefits. The Teachers' Retirement Act defines average final compensation as: "the average of the earned compensation of a member during the three consecutive years of full-time service which yield the highest average and on which contributions have been made." Full-time service is defined as, service which is full-time and which extends over the normal academic year of at least nine months." Since Mr. Carlson terminated in January 1980 his employment for the 1979-80 school year does not constitute full-time for the purpose of calculating average final compensation. Mr. Weingartner presented the case that Mr. Carlson did have consecutive years even though they were not one after the other and that Mr. Carlson's contract ran from February through January. Mr. Carlson briefed the board on his personal circumstances as to why he did not finish the 1979-80 school year. After a lengthy discussion Verna Green recommended that Mr. Carlson's last three years' salary, 1988-89, 1978-79, 1979-80 and 1988-89, be used in the calculation of monthly benefits. Mr. Kranick seconded the motion which carried with three (3) positive votes and one (1) negative vote.

Donald Lee - Consideration of Membership. Mr. Lee was present to request the board reconsider his request for membership in the Teachers' Retirement System. The board reviewed Mr. Lee's job description. Mr. Lee explained his reason for believing his position should be covered under TRS and the organizational structure of Pine Hills. After some discussion Mr. Kranick moved to deny Mr. Lee's request to be a member under the Teachers' Retirement System. Mrs. Egli seconded the motion which carried.

Tom Billadeau, Montana Education Association, spoke on the need for a cost of living adjustment for retirees. He explained to the board the Davis decision and that a COLA will be of primary interest in the upcoming legislative session. MEA's supports taxation of retirement benefits as long as there is an equal or greater adjustment in the benefits received. The MEA solicits the help of the Teachers' Retirement Board to use the opportunity presented by the Davis decision and the fact that we have considerable support from the membership of the retirement systems to support a fully funded COLA. MEA would like to see the state make a commitment to public education as a third leg to fund the COLA. Another alternative may be for the employer and the state to share the additional contribution cost. The third alternative would be to expand the employee and employer contributions. The feeling is there will be tremendous support for this issue. The

Executive Secretary will continue to work with the MEA and other organizations to find a feasible answer for a COLA.

University System Membership. The Executive Secretary briefed the board on the University Systems position on retirement membership. In the past a Board of Regents' Contract was the deciding factor in determining which retirement system a position was reported to. If the position was appointed by the Board of Regents, the position was reported to TRS, but many of these positions do not qualify under the TRS statutes. After some discussion it was agreed that LeRoy Schramm, legal counsel for the University System, would assist Mr. Senn in the review the of the 10 individual positions in question.

Alton Hendrickson, Actuary. Alton Hendrickson was present to explain GASB #5, the purpose of an actuary valuation, and the unfunded liability. He also reported on the effect of the contributions reported to TRS by members of the optional retirement program, TIAA-CREF. The actuarial valuation indicated that the ORP did not have a detrimental impact upon TRS. However, the system's unfunded liability would be funded 4/10 years faster if the contribution rate to TRS on behalf of ORP members were 5.63% rather than 4.50%.

Legal Counsel Status Reports. Paul Smietanka gave an update on the status of the pending legal cases of TRS. The first two cases he reviewed concerned the overpayment of benefits due to the death of the member's beneficiary. Isadora Estes - A complaint against the First National Bank of Lewistown has been filed. Interrogatories have been served and Request for Production of Documents and a Request for Admission of Documents have been served. These documents should have been responded to by this time and Mr. Smietanka will contact the bank as to why there has been no response. John E. Moore - First Bank Western in Missoula has not responded to the request the system has made for the overpayment. The same procedure for filing will be used for this case as was used in Estes. Rodney Butler - The Butler family is trying to draw the Teachers' Retirement System into further negotiations of the Butler Estate between the family members. We will comply with any valid and supportable order that is issued by the District or Supreme Court, but the TRS is not going to actively participate in the dispute.

Administrative Procedures Report. Paul Smietanka, legal counsel, reviewed the procedures for an administrative hearing with the board. Mr. Smietanka made the following recommendation for the board to adopt:

1. If it is decided to hire a hearing examiner, hire the examiner in an appellate capacity.

2. After a adverse finding, inform a petitioner of the board they may have an administrative hearing or stipulate the facts to allow them to immediately go to district court to contest

the decision.

Post-retirement Adjustment. The staff recommended the determination regarding the 24 consecutive monthly payments be modified to allow for the payment of the post-retirement adjustment when the retiree has received retroactive benefits which would have otherwise met the 24 consecutive months required. Verna Green moved to adopt the recommendation of the staff regarding the 24 consecutive monthly payments to include retroactive payments. Mr. Kranick seconded the motion which carried.

Verna Green absented herself at 3:45 p.m.

NEW BUSINESS

Donald Beuerman - 10% Cap, Grant Funds. The Executive Secretary explained Mr. Beuerman's received an increase in salary during the 1989-90 school year which exceeded the 10% limitation. This increase was the result of additional compensation received for projects funded by grant monies. Mr. Senn recommended the board make an exemption to grant money received that exceeds the 10% limitation. After some discussion Craig Brewington moved to deny Mr. Beuerman's request for an exemption to the 10% cap. Mr. Kranick seconded the motion which carried.

Financial Statement, Budget Report, and Investment Report. After a brief review of the financial statements, budget report and investment report Mr. Brewington moved to accept the reports as presented. Mr. Kranick seconded the motion which carried.

Lawrence Rodney - Error in Calculating Service Credit. The Executive Secretary explained that Mr. Rodney had been an inactive teacher since 1975. In 1978 he had contacted the Teachers' Retirement System to inquire as to his years of creditable service. He had been informed he had five years of service and based on that information Mr. Rodney left his account on deposit with TRS. Mr. Rodney is now eligible for retirement benefit on account of age, but it was discovered he only has 4.89 years of service. Mr. Rodney is petitioning the board to allow him to retire with five years of creditable service. Mr. Brewington moved to approve retirement benefits for Mr. Rodney based on 4.89 years of service. Mr. Kranick seconded the motion which carried.

Approval of Applications and Benefits. After a brief review of regular retirements applications, survivorships, and adjustments Mr. Brewington moved to approve the applications, survivorships and adjustments. Mr. Kranick seconded the motion which carried.

DISABILITIES. Janice M. Fitzgerald. The board reviewed the application and attending physician's statement for disability. Mr. Kranick moved to approve the disability benefits. Mrs. Egli seconded the motion which carried.

Edward A. Thomas. The board reviewed the application and attending

physician's statement for disability. Mr. Kranick moved to table their decision. Mrs. Egli seconded the motion which carried.

Donald Rude. The board reviewed the application and attending physician's statement for disability. Mrs. Egli moved to approve the continued disability of Mr. Rude. Mr. Brewington seconded the motion which carried.

Executive Secretary's Report. After a review of the written report submitted by the Executive Secretary Mr. Kranick moved to approve the Executive Secretary's Report. Mrs. Egli seconded the motion which carried.

The Executive Secretary reported he had spoke with Tom Cavanaugh, consulting actuary for Gabriel, Roeder & Smith, regarding legislation for handling Qualified Domestic Relations Orders (QDRO). Mr. Cavanaugh advised to stay way from legislation for now because of the expense and the problems that may be created. Mr. Senn will continue to work in this area to develop future legislation.

Mr. Senn reported that Representative Ervin Davis will be asked to introduce the Teachers' Retirement System's transfer bill and Representative Gerald Nesbit will be asked to introduce our general housekeeping bill.

The report on the NCTR Convention was deferred until the next meeting.

Next Meeting Date. The next meeting is scheduled for either January 11, or 18, 1991, subject to review of the members personal schedules. Chairman Cowan adjourned the meeting.

J E Cowan

Chairman

David L Senn

Executive Secretary

November 1990
Ed Mtg

RETIREMENT LISTING

RETIREMENT APPLICATIONS - JULY 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Ashmore, Gerald	07-01-90	Msla	29.00	57			1,814.10
Baker, Graeme	10-01-81	V. R.	20.58	57			341.12
Baker, Lewis Keith	07-01-90	Pondera	26.00	48			1,268.25
Beck, Raymond J.	07-01-90	Cascade	25.33	49	18,180.84	I	2,073.40
Benjamin, Thiele	07-01-90	L & C	37.99	61	7,583.61	I	1,605.91
Benusa, Joan M.	07-01-90	Gallatin	8.98	57	1,308.53	III	267.11
Berntsen, Sally C.	07-01-90	Cascade	25.00	62	3,272.31	I	972.86
Bier, Jesse	07-01-90	U of M	40.67	65	11,119.08	I	2,590.30
Black, Donald D.	07-01-90	Gallatin	28.22	57			1,385.81
Boucher, Myron S.	07-01-90	Msla	21.99	60			963.60
Bouma, Ruby J.	07-01-90	Pondera	28.25	52			970.05
Bourdeau, Lottie	07-01-90	Cascade	20.97	62			772.53
Brenden, Mary C.	07-01-90	Hill	19.00	63	6,327.40	I	794.84
Brookhart, Glen	07-01-90	Gallatin	25.00	49	7,363.53	I	1,184.12
Brookins, John Allen	07-01-90	Mineral	27.42	54	6,892.10	II	1,187.79
Brookshier, Joseph D.	07-01-90	Carbon	30.00	53	10,000.00	I	1,502.11
[redacted]rumbaugh, Richard A.	07-01-90	Sanders	25.56	50			774.62
[redacted]cholz, Margurite	07-01-90	Valley	18.00	65			504.92
[redacted]rton, James R.	07-01-90	Glacier	27.00	53	2,500.00	III	1,295.21
[redacted]naris, Marilyn J.	07-01-90	Msla	27.56	62	16,755.75	I	1,835.99
Canham, Donald H.	07-01-90	U of M	32.53	58	8,549.64	I	1,722.55
Carpenter, John L.	07-01-90	Flathead	30.00	54	2,000.00	III	1,445.78
Carrico, Otha	07-01-90	V. R.	11.08	58			99.17
Carroll, Marcalee	07-01-90	L & C	26.67	52			1,310.21
Chambers B. Keith	07-01-90	Gallatin	8.00	58			528.31
Champlin, Lois E.	07-01-90	L & C	25.89	50	4,831.93	II	1,037.17
Champlin, Raymond	07-01-90	L & C	28.00	57			1,186.22
Chevallier, Travis W.	07-01-90	Park	29.08	63	11,970.00	I	1,314.65
Chinn, Dean A.	07-01-90	Yellowstone	28.44	63	13,176.55	I	1,355.48
Chupurdia, Jeanne	07-01-90	Cascade	28.00	55	2,187.54	I	1,285.97
Clearman, Shirley A.	07-01-90	L & C	25.00	58	6,709.60	I	1,020.38
Coats, Carol	07-01-90	Msla	16.89	63	3,384.17	I	827.44
Cole, Judith C.	07-01-90	Yellowstone	9.00	52	2,107.39	I	185.21
Cross, Betty M.	12-01-87	V. R.	12.06	60			130.34
Crowley, William F.	07-01-90	U of M	36.92	67	13,072.02	I	2,700.08
Currie, Stella	07-01-90	Deer Lodge	33.30	62			1,623.67
Curtis, Neal W.	07-01-90	Gallatin	31.51	60	14,749.42	I	1,659.45
Dahlstrom-Gannon, Kathryn	07-01-90	Yellowstone	25.00	47	17,382.90	I	1,300.36
Darlington, Lila D.	07-01-90	Lake	27.77	59			1,054.15
Davis, Jeannette S.	07-01-90	Yellowstone	20.00	55	6,515.34	I	710.38
Derry, Vickie A.	07-01-90	Yellowstone	5.16	64			80.73
[redacted]ters, James R.	07-01-90	Meagher	17.00	53			346.32
[redacted]lbeck, Melvin L.	07-01-90	Stillwater	32.92	61	12,000.00	III	1,211.81
[redacted]sen, Stephanie E.	07-01-90	Silver Bow	24.00	64	12,534.08	I	1,103.89
DuMontier, Reginald	07-01-90	Flathead	32.00	61	250.50	III	1,464.47

[redacted]ncan, June L.	07-01-90	Glacier	31.64	63	2,400.00	III	1,432.20
[redacted]gebretson, Elizabeth A.	07-01-90	Lincoln	27.29	62	14,034.03	I	1,397.65
[redacted]acincani, Robert J.	07-01-90	Silver Bow	35.00	61	14,414.07	I	1,535.29
Farley, Doris E.	07-01-90	Cascade	37.78	61	2,383.18	I	1,504.40
Farr, F. Shelton	07-01-90	Yellowstone	25.83	65	9,035.07	I	1,390.14
Faulkner, Martin A.	07-01-90	MSU	28.00	55	5,600.00	I	1,133.97
Flick, Kathryn L.	07-01-90	Madison	5.50	58			87.26
Frazier, G. Loran	07-01-90	Cascade	31.50	56	20,197.14	I	2,446.29
Fred, Lander J.	07-01-90	Yellowstone	31.00	53	17,650.90	I	2,297.44
Fretheim, Richard H.	07-01-90	Flathead	25.50	61			973.33
Fuller, Ronald D.	07-01-90	Jefferson	32.00	56			1,665.83
Garner, Donald R.	07-01-90	Flathead	26.50	57	16,110.00	I	1,534.29
Garrick, Owen W.	07-01-90	Prairie	25.00	52			629.80
George, Aris	07-01-90	Rosebud	12.00	62	360.00	III	490.67
Gilliam, Sylvia G.	07-01-90	Gallatin	26.50	57	13,094.39	I	1,166.11
Gilman, William H.	07-01-90	Roosevelt	25.00	48	6,000.00	III	1,500.97
Goddard, Donny D.	07-01-90	Flathead	25.67	49	19,371.85	I	1,693.10
Goligoski, Charles L.	07-01-90	Flathead	33.75	59			1,605.87
Goodfellow, Virginia L.	07-01-90	Silver Bow	26.00	62			1,009.25
Gore, Ronald G.	07-01-90	Valley	33.00	56	9,000.00	I	1,346.99
Grant, Richmond H.	07-01-90	Ravalli	20.00	62			785.62
Greenfield, Delbert J.	07-01-90	Ravalli	25.00	60			753.70
Gustafson, Helen	07-01-90	Flathead	15.00	56			169.13
[redacted]aaby, Louise M.	07-01-90	Cascade	27.17	64	3,272.31	I	1,054.46
[redacted]mmond, Ira	07-01-90	Philips	25.00	46	1,274.55	I	1,350.86
[redacted]nson, Bonny E.	07-01-90	Flathead	25.56	47			679.96
[redacted]anson, Thomas L.	07-01-90	MSU	27.00	57	19,177.00	I	1,886.05
Hawbecker, Norma J.	07-01-90	Flathead	25.00	48			910.15
Hayes, Claude A.	07-01-90	Daniels	32.00	53	9,150.00	I	1,500.90
Hickethier, Glenn A.	07-01-90	Msla	30.00	52	4,510.83	I	1,306.81
Hinerman, Alice M.	06-01-90	V. R.	15.00	60	626.67	I	430.08
Howard, Ingeborg	07-01-90	State Dept.	30.78	63	2,640.80	II	945.59
Hruska, Delores	07-01-90	Fergus	32.33	59	7,179.70	I	1,314.33
Hunter, Elsie L.	07-01-90	Silver Bow	26.04	61	12,666.33	I	1,346.35
Jackson, Alan	07-01-90	MSU	18.00	57	8,253.00	I	887.51
Jakobson, Mark	07-01-90	U of M	42.71	67	11,750.31	I	3,053.09
Jasmer, Gerald B.	07-01-90	Yellowstone	25.23	50	9,168.27	I	1,067.59
Johnson, Hazel L.	07-01-90	L & C	42.00	62	776.85	I	1,708.36
Jones, Beverly	07-01-90	Msla	23.06	57			623.04
Jones, Pauline F.	07-01-90	Yellowstone	21.37	65	9,724.29	I	1,154.59
Jose, John R.	07-01-90	Silver Bow	25.00	48	13,765.21	I	1,268.09
Jutila, John W.	07-01-90	MSU	29.00	59	28,395.00	I	2,980.34
Kindzerski, A. Wm.	07-01-90	Choteau	34.50	61			1,496.49
LaCross, Julia B.	07-01-90	Fallon	27.00	65	11,333.34	I	1,532.21
Larson, Carol	07-01-90	Pondera	33.22	58			1,140.71
Lawver, Kermit C.	07-01-90	Beaverhead	25.00	52	23,775.30	I	1,474.70
Littlejohn, Gerald E.	07-01-90	Toole	31.00	56			1,098.30
[redacted]oble, Diana L.	07-01-90	L & C	20.24	61	758.16	I	882.86
[redacted]chridge, Paul L.	07-01-90	Park	34.00	62	11,655.00	I	2,382.39
[redacted]mica, William "Keith"	07-01-90	Cascade	31.97	54	3,272.31	I	1,547.59
[redacted]nn, Kay	07-01-90	Msla	28.33	55	3,113.40	I	1,219.72
Lyton, Ida R.	07-01-90	Lake	40.00	64	13,655.15	I	2,438.91

[redacted]honey, Lorraine	07-01-90	Silver Bow	18.00	62			700.57
[redacted]lletta, Sue Ann	07-01-90	Flathead	25.78	49			1,031.87
[redacted]ulletta, Joseph	07-01-90	Flathead	26.33	49			1,554.15
Manlove, Spencer L.	07-01-90	U of M	23.06	62	7,078.00	I	1,356.59
Mattocks, Theodore C.	07-01-90	Glacier	25.00	49	15,971.53	I	2,101.04
Mayhew, George M.	07-01-90	Flathead	32.00	54			1,569.95
McCormick, Ann J.	07-01-90	L & C	33.00	55	7,682.88	I	1,455.39
McGiffert, Robert C.	07-01-90	U of M	31.00	68	7,752.00	I	1,589.16
McGuire, Patrick H.	07-01-90	Fergus	34.33	57	8,256.48	I	2,039.75
McNiel, Katherine B.	06-01-90	V. R.	13.11	60	2,272.32	II	377.76
Meiners, Joyce	07-01-90	Flathead	11.81	58			366.03
Mereness, Richard	07-01-90	L & C	27.90	62	5,181.40	I	1,201.46
Messick, Theresa J.	07-01-90	Gallatin	25.21	52	7,140.78	I	1,282.66
Meyer, Diane K.	07-01-90	Carbon	25.21	53			869.23
Micheletti, Alexander J.	07-01-90	Big Horn	27.89	54			1,214.28
Mickelson, Amy J.	07-01-90	Mineral	27.44	50			1,008.84
Miller, Betty L.	07-01-90	Garfield	16.67	72			256.40
Milner, Charles M.	07-01-90	MSU	26.71	60	12,056.27	I	1,802.44
Mott, M. Larine	07-01-90	Valley	18.96	67			784.43
Mular, Harry	07-01-90	Flathead	33.00	56			1,585.43
Myrhow, Michael S.	07-01-90	Jefferson	28.00	50			1,005.30
Nelson, Susan M.	07-01-90	Dawson	26.00	48			951.29
Nerem, Janice I.	07-01-90	Cascade	32.00	53	3,272.31	I	1,284.01
Nerlin, Deloris I.	07-01-90	Gallatin	20.00	56			551.01
[redacted]esbit, Charles B.	07-01-90	Yellowstone	40.03	63	12,786.59	I	1,953.77
[redacted]euhardt, Otto	07-01-90	Custer	38.50	59	18.57	I	1,491.67
Neumann, Mikell J.	07-01-90	Fallon	23.00	54			871.34
Ollestad, Stephen B.	07-01-90	Gallatin	35.00	56	7,860.78	I	1,783.16
Olson, Mary L.	07-01-90	Park	42.00	65			1,566.87
O'Malley, Jean C.	07-01-90	Yellowstone	31.00	60			1,513.95
Orahood, Marlyn	07-01-90	Phillips	30.37	53			1,034.01
Osterheld, Jean E.	07-01-90	Ravalli	16.17	63	2,850.00	I	582.81
Osterheld, R. Keith	07-01-90	U of M	41.56	65	12,927.30	I	2,737.78
Parpart, Beulah J.	07-01-90	Valley	34.50	59			1,070.68
Parsons, Angelina O.	07-01-90	MSU	36.00	58	15,686.27	I	2,273.62
Peretto, Robert E.	07-01-90	Flathead	25.00	47	6,575.34	I	1,147.37
Pierce, Harvey L.	07-01-90	MSU	35.53	59	7,032.82	I	1,432.82
Pinkerman, K. Duane	07-01-90	Big Horn	38.94	62	700.00	I	1,541.59
Porter, Leonard E.	07-01-90	U of M	25.61	56	8,805.60	I	1,328.48
Preston, Dorothy L.	07-01-90	Sanders	18.28	63			644.22
Quamen, Rosellen	07-01-90	Cascade	33.07	62	3,272.31	I	1,288.99
Reed, Sharon M.	07-01-90	Gallatin	16.17	53	4,903.75	II	404.42
Rice, Barbara L.	07-01-90	Yellowstone	37.00	57	10,336.00	I	1,716.16
Richlie, Rose E.	07-01-90	Msla	28.00	60			1,149.37
Robbins, Helen	07-01-90	Valley	20.00	62			735.00
Robertson, Vernon H.	07-01-90	State Dept.	20.00	58	8,799.12	I	863.31
Rowland, Lorene	07-01-90	Yellowstone	24.00	55	6,718.18	I	1,076.36
Ryan, William E.	07-01-90	Yellowstone	33.00	55	6,747.56	I	1,434.45
[redacted]afford, Jeffrey J.	07-01-90	MSU	28.83	56	9,925.87	I	1,744.64
[redacted]chroeder, Betty M.	07-01-90	Roosevelt	36.00	64	1,577.11	I	1,220.20
[redacted]chwaller, Richard L.	07-01-90	MSU	26.08	64	5,922.11	I	1,392.04
Selvidge, Joan D.	07-01-90	Yellowstone	43.00	63	14,076.55	I	2,418.31

[redacted]user, Deloris L.	07-01-90	Hill	29.00	52			1,156.72
[redacted]annon, Anna M.	07-01-90	MSU	20.00	61	18,320.61	I	1,947.76
[redacted]hepherd, Leo W.	07-01-90	Toole	28.13	63			1,349.53
Shows, Mary	07-01-90	Madison	17.00	61			565.99
Smet, Dorothy M.	07-01-90	Deer Lodge	29.00	56			1,075.63
Snoderly, Marvin	07-01-90	Flathead	5.00	58			188.96
Stark, Mary	07-01-90	Custer	18.16	64			334.61
Sullivan, Robert J.	07-01-90	Park	25.00	47			976.61
Sullivan, Helen M.	07-01-90	Missoula	26.00	51			956.10
Sulser, Sidney	07-01-90	Valley	33.90	58	8,000.00	I	1,781.97
Taylor, Robert	07-01-90	Mt. Tech	36.08	62			1,581.21
Teddy, Douglas A.	07-01-90	Flathead	25.00	48			1,226.53
Tillery, Beverly A.	07-01-90	Custer	16.00	62			577.55
Townes, Harry W.	07-01-90	MSU	25.33	53	12,500.00	I	2,355.21
Townsend, Stuart W.	07-01-90	Gallatin	27.91	50			1,179.55
Tracy, Raymond E.	07-01-90	Custer	27.00	51	122.88	I	1,023.74
Vinnedge, Wallace D.	07-01-90	Flathead	32.00	56			1,600.18
VonKuster, Lee N.	07-01-90	Missoula	35.22	58	9,839.57	I	1,889.65
Vraa, Betty L.	07-01-90	Richland	30.00	62	2,665.00	I	1,092.78
Waite, Betty J.	07-01-90	Yellowstone	24.89	55	7,247.50	I	1,162.58
Waldron, Donald R.	07-01-90	Missoula	32.50	62			2,498.63
Warren, Herbert G.	07-01-90	Mt. Tech	12.17	60	1,607.45	I	951.27
Warwick, Thomas J.	07-01-90	Madison	30.00	53			1,830.86
Watson, Kenneth L.	07-01-90	Hill	29.95	56			1,295.49
[redacted]atson, Raymond	07-01-90	Hill	31.19	57	6,673.78	I	1,865.25
[redacted]ebber, Patricia L.	07-01-90	Golden Valley	26.00	46			880.07
[redacted]ells, Thomas E.	07-01-90	V. R.	22.00	60	667.14	II	476.49
Welter, Rosemary	07-01-90	Petroleum	25.78	52			851.54
White, Donnie W.	07-01-90	Fergus	25.00	47	15,738.56	I	1,271.47
Whitworth, Karolyn L.	07-01-90	Beaverhead	27.00	52			1,112.22
Widenhofer, Raymond A.	07-01-90	Yellowstone	30.00	58	11,362.74	I	1,517.07
Worrall, Dorraine	07-01-90	Valley	40.67	60	5,000.00	I	1,805.60
Young, Jack L.	07-01-90	Yellowstone	30.00	60	11,391.93	I	1,351.50
Ziegler, Dolores J.	07-01-90	Dawson	33.00	54			1,202.89

[redacted]JUSTMENTS - JULY 1990

	RETRO TO	FROM	TO
Havens, Donna M. Increase of $5.23 per month to reflect use of actual termination pay amount.	02-01-90	1,202.83	1,208.14
Iverson, Glenn A. Increase in benefit to reflect use of actual termination pay and salary. Reported in June 90 due to contract settlement.	01-01-90	1,215.82	1,229.15
Perkins, D. Joanne Decrease in benefit to reflect actual termination pay amount.	07-01-89	846.00	844.09
[redacted]ouse, William M. Increase in benefit of $1.85 to reflect use of actual salary.	08-01-89	970.65	972.50
Waples, Joyce Decrease in benefit to reflect no termination pay as stated on appl.	07-01-89	931.65	923.10
Zieske, Jacqueline G. Adjust to reflect use of actual creditable service for 89-90 school year.	12-01-89	1,017.10	1,024.44

[redacted]TIREMENT APPLICATIONS - AUGUST 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Anderson, Shirley	07-01-90	Roosevelt	5.62	63			54.33
Beuerman, Don R.	08-01-90	Mt. Tech	26.11	62	7,126.74	I	1,416.93
					4,905.00	II	
Birch, Joan M.	07-01-90	U of M	24.66	53	5,732.35	I	999.77
Campbell, John P.	07-01-90	L & C	33.17	55	24,103.06	I	2,621.94
Corcoran, Daniel	07-01-90	Glacier	24.00	51			1,121.46
Crookshanks, Marjorie	07-01-90	Missoula	25.00	59	4,156.16	III	921.59
Durkin, Joan V.	09-01-87	V. R.	5.82	60			82.51
Farag, George S.	07-01-90	Lincoln	23.00	58	17,249.83	I	1,013.67
Ferguson, Don L.	07-01-89	Yellowstone	30.00	55	6,275.20	I	1,192.18
Furgason, Betty	07-01-90	Yellowstone	23.00	61	12,976.55	I	1,270.50
Hatcher, Ron L.	07-01-90	Stillwater	29.00	51	15,844.07	II	1,807.22
Iliff, Ruth	07-01-90	Lincoln	26.67	62	14,668.50	I	1,388.55
Kaftan, Robert E.	08-01-90	NMC	37.11	64	10,194.00	I	2,130.93
					1,530.00	II	
Kaste, Kathryn J.	07-01-90	Cascade	35.89	58	3,272.31	I	1,750.37
Kelly, Bonita J.	07-01-90	Madison	30.84	57			1,065.84
Maroney, Dale P.	07-01-90	Gallatin	28.00	51	7,346.95	I	1,141.93
[redacted]lson, Frank G.	07-01-90	Meagher	26.00	48	3,396.76	I	1,753.08
[redacted]itt, Ralph A.	07-01-90	State Dept.	22.68	59	6,497.26	III	855.78
[redacted]mstad, Roberta	07-01-90	Missoula	27.00	49	1,464.21	I	1,123.50
[redacted]retsema, Richard	08-01-90	WMC	31.11	52	5,841.64	I	1,509.61
Taylor, Sereta A.	08-01-90	V. R.	15.00	50			212.53
Welsh, James R.	08-01-90	MSU	25.11	57	16,000.00	I	2,223.72
Williams, Helen C.	08-01-90	Jefferson	23.39	59			620.88

SURVIVOR APPLICATIONS - AUGUST 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Eble, Karen L.	08-01-90	Yellowstone	27.00	50	45,723.14	I	3,252.61
					15,271.58	II	
Survivor of Roger F. Eble				51			

[redacted]JUSTMENTS - AUGUST 1990

	RETRO TO	FROM	TO
Thompson, E. Orvil Adj. in benefit of 37.62 per month to reflect termination pay. School district obligated to pay both EE and ER contributions due. School request to pay conts. due out of 1990-91 budget.	07-01-88	1,151.04	1,188.66

RETIREMENT APPLICATIONS - SEPTEMBER 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Anderson,Bonnie L.	09-01-90	V.R.	17.33	50			348.02
[redacted]rcia, Ricardo L.	08-01-90	E.M.C.	7.11	50	189.36	III	197.69
[redacted]nning, Daniel H.	09-01-90	E.M.C.	30.33	59	6,459.60	I	1,676.79
[redacted]lmes, Charles H.	09-01-90	N.M.C.	25.05	64	8,094.60	I	1,328.91
[redacted]ohnston, Don O.	09-01-90	U of M	36.20	62	8,900.00	I	1,884.78
Larson, Rosemary M.	07-01-90	Sheridan	38.00	58	1,125.00	III	1,465.61
McRae, Calvin G.	07-01-90	Dawson	29.00	52	16,288.05	I	2,338.10
Mest, John S.	09-01-90	V.R.	9.33	60	3,196.64	II	353.56
Moulds, Kathleen R.	07-01-90	Cascade	12.89	52	2,560.00	II	333.04
Nelson, Carol J.	07-01-90	Blaine	26.67	50			547.49
Roush, Allan G.	09-01-90	Hill	29.22	53	21,137.93	I	1,531.34
Self Sr., John M.	09-01-90	E.M.C.	32.93	70	9,655.67	I	1,944.92
Simonsen, Allen D.	07-01-90	Valley	26.00	49	9,000.00	III	1,014.16
Tietema, John E.	06-01-90	Big Horn	33.14	64			1,747.11
Wiesner, Eugene	09-01-90	Yellowstone	29.93	63	8,223.25	I	1,423.92
Willett, Flora K.	08-01-90	E.M.C.	25.06	55	7,086.23	I	1,167.17
Williams, Theodore	09-01-90	M.S.U.	35.03	63	18,242.92	I	3,035.95
Youngberg, Dorothy E.	07-01-90	Park	22.92	60			629.00

SURVIVOR APPLICATIONS - SEPTEMBER 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
[redacted]tler, Alberta	07-01-87	Liberty	25.00	43	9,622.50	I	519.72
Survivor of Rodney Butler				49			

[redacted]JUSTMENTS - SEPTEMBER 1990

	RETRO TO	FROM	TO
Moudree, Shirley M. Adjustment in benefits to utilize an additional .25 years of creditable service.	05-01-77	115.22	117.44
Osterheld, Jean E. Increase in benefit of $7.44 to reflect use of actual 89-90 salary amount.	07-01-90	582.81	590.25

RETIREMENT APPLICATIONS - OCTOBER 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
[redacted]lund, Josephine R.	01-01-89	V.R.	7.00	60			76.04
[redacted]rry, Robert B.	10-01-90	U of M	25.33	57	31,192.48	I	2,591.65
[redacted]ret, Donna L.	10-01-90	Carter	25.63	47	360.00	I	923.94
Malee, Margarette D.	10-01-90	Silver Bow	31.24	60			183.71
Peck, Lois E.	07-01-90	Lincoln	26.54	49	18,549.90	II	1,227.30
Peterson, Arlys J.	07-01-90	Cascade	26.20	59	918.51	II	388.33
Simonis, Doris A.	10-01-90	V.R.	11.84	60			486.19

SURVIVOR APPLICATIONS - OCTOBER 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT

NONE

[redacted]

[redacted]JUSTMENTS - OCTOBER 1990

	RETRO TO	FROM	TO
Beck, Raymond J. Increase in benefit to reflect use of actual 1989-90 salary amount.	07-01-90	2,073.40	2,076.96
Benjamin, Thiele E. Increase in benefit to reflect use of actual salary for the 1985-86 school year.	07-01-90	1,605.91	1,609.28
Benusa, Joan M. Decrease in benefit to reflect actual 1989-90 salary amount.	07-01-90	267.11	266.69
Burton, James R. Increase in benefit to reflect use of actual 1989-90 salary amount.	07-01-90	1,295.21	1,298.40
[redacted]rcoran, Daniel J. Increase in benefit/ wrong factor utilized in original calculation relative to the difference in ages under Option C.	07-01-90	1,121.46	1,128.98
Curtis, Neal W. Increase in benefit to reflect use of actual pay amount.	07-01-90	1,659.45	1,660.06
Davis, Jeannette S. Increase in benefit for use of actual 1989-90 salary.	07-01-90	710.38	713.03
Frazier, G. Loran Increase in benefit to reflect use of actual termination pay amount.	07-01-90	2,446.29	2,447.90
[redacted]ttocks, Theodore C. Increase in benefit to reflect use of actual 1989-90 salary reported.	07-01-90	2,101.04	2,102.24

[redacted]st, John S. Increase in benefit ot reflect use of termination pay under Option I, rather than Option II.	09-01-90	353.56	362.93

TEACHERS' RETIREMENT BOARD MEETING

January 11, 1991

Chairman Cowan called the meeting to order at 9:00 a.m. in the conference room of the State Library. Those present were:

Jim Cowan, Chairman
Virginia Egli, Active Teacher
Craig Brewington, Superintendent
Beda Lovitt, (for Nancy Keenan)
David L. Senn, Executive Secretary
Mary Harrington, Assistant Executive Secretary
Dave Ohler, Legal Counsel, TRS
Tom Bilodeau, MEA
Bob Anderson, Montana School Board Association
LeRoy Schramm, Legal Counsel, University System
Craig Roloff, Montana State University

John Kranick was excused as he was unable to return to the State of Montana at this time and Verna Green was absent.

Approval of the Minutes for November 16, 1990. Craig Brewington moved to approve the minutes as presented. Virginia Egli seconded the motion which carried.

Financial Statements, Budget Report and Investment Report. The Executive Secretary explained the budget report. He stated the Teachers' Retirement System will have to forego purchasing some equipment as data processing is consuming most of the budget. Virginia Egli moved to approve the financial statements, budget report and investment report as presented. Craig Brewington seconded the motion, which carried.

Building Maintenance. The Executive Secretary asked the board to approve 19 new light fixtures on the main floor. This expenditure would not be part of the Teachers' Retirement Division's budget and would be an expense to the Teachers' Retirement fund. The cost would be $1,008.00. Craig Brewington moved to approve the replacement of 19 light fixtures on the main floor. Virginia Egli seconded the motion, which carried.

Executive Secretary's Report. The Executive Secretary reviewed the report submitted to the board.

The Executive Secretary reported the Legislative Auditors have completed their audit for the two fiscal years ending June 30, 1990. He was pleased to report there will be no recommendations on their report for the Teachers' Retirement System.

On January 4, 1991, MEA invited all groups representing members of the Public Employees' and the Teachers' Retirement Systems to

participate in a meeting to discuss a cost-of-living adjustment for members. A COLA would require a 19% increase in contributions rates to fund a CPI cost-of-living adjustment for the retirement systems. They agreed to look into a guaranteed percentage increase each year. These groups will continue to work together to provide a feasible cost-of-living adjustment.

OLD BUSINESS

Legislation. Purchase of Salaries - Leave of Absence Without Pay. The Executive Secretary reported the Montana Education Association will propose a bill to allow members to purchase credit for salary when they were in a leave of absence without pay status. The cost will be 5.7% of the salary not reported multiplied by the total number of years of creditable service. Virginia Egli moved to support this legislation. Craig Brewington seconded the motion which carried.

Duplicate Warrants Requiring Indemnity Bond. The Executive Secretary recommended the board request legislation to change the statutes requiring an indemnity bond in the event a retiree has lost or accidentally destroyed their warrant. This bill would provide for a duplicate warrant in the case of monthly benefits when requested by TRS or PERS. The State Auditor's Office will support this legislation. Virginia Egli moved to propose this legislation. Craig Brewington seconded the motion which carried.

Reconsideration of the 10% Cap - Donald Beuerman. Mr. Beuerman appealed to the board to reconsider his salary for an exemption to the 10% statutory cap. Mr. Beuerman's salary increase was a result of summer employment. The salary over and above the 10% cap was funded with grant money and originally was communicated as such and not as summer employment. Mr. Beuerman provided documentation that his increase was not of a one time or temporary nature and that it was summer employment on an ongoing project. Craig Brewington moved to approve the exemption to the 10% statutory cap. Virginia Egli seconded the motion which carried.

NCTR Conference Report. The Executive Secretary reviewed his report on the conference in Baltimore. Mr. Senn had the opportunity to meet with the Montana Congressional Delegation on issues effecting the Teachers' Retirement System.

Petitions for Membership Review. Larry Nachtsheim, Administrator of PERS, and Troy McGee, PERS Board member, joined the meeting to review membership for Nancy Dahy and Audrey Bowman, members of the University System.

Nancy Dahy holds the position of Head of Documents/Instructor. She has held this position since 1980, but was only reported to the Teachers' Retirement System in 1988 when the status of her position changed from a classified employee to a Regents' Contract employee. The board's policy since 1983 has been to require all employees of

the University System with Regent's Contracts to be members of TRS. Mrs. Dahy is contemplating retirement in the near future and does not believe this policy was intended to penalize a person in her position and for these reasons is requesting she be allowed to transfer back and continue under the Public Employees' Retirement System. This position should be reported to the TRS. After a brief discussion Virginia Egli moved to allow Nancy Dahy to transfer back to PERS providing the Public Employees' Retirement Board approves. Craig Brewington seconded the motion which carried.

Audrey Bowman currently holds the position of manager of the Multilith Department at MSU. This position should be reported to PERS. Ms. Bowman has held this position for many years, which was a classified position until July 1988 when the Board of Regents moved to change the position to that of a Regents' Contract. This change required that Ms. Bowman be reported to the Teachers' Retirement System. Ms. Bowman too feels that she has been disadvantaged by an administrative change and is requesting that she be allowed to transfer back to the Public Employees' Retirement System. After a brief discussion Craig Brewington moved to approve the transfer to PERS for Audrey Bowman providing the Public Employees' Retirement Board approves. Virginia Elgi seconded the motion which carried.

NEW BUSINESS

Reservists Called to Active Duty. The Executive Secretary reported that several members of the Teachers' Retirement System have been called to active duty as reservists and members of the National Guard. The Viet Nam Era Veterans' Readjustment Assistance Act of 1974 imposes several obligations on employers in granting specific rights to these employees. After reviewing the statutes Mr. Senn and Dave Ohler, TRS legal counsel, determined that the member continues in the TRS as an active member while serving in the armed forces; will be eligible for death and disability benefits; and upon returning to employment under the Teachers' Retirement System will be eligible to reinstate the service credit they would have earned had they been a contributing member of the Teachers' Retirement System. The Executive Secretary further recommended that interest be waived provided contributions on this service are made within 90 days following discharge from active duty or within a period equal to the time served in active duty, whichever is greater. It was the consensus of the board to adopt the staff recommendation concerning reservists and the National Guard called to active duty and to follow up with Administrative Rules.

Legislation - Reduction of the Optional Retirement Plan Contribution. LeRoy Schramm, legal counsel, presented a proposal for the University System. The University System has proposed that the current contribution of 4.503% contributed on salaries of employees of the University System who have elected the optional retirement plan be phased out over the next ten years beginning

July 1, 1991.

The Executive Secretary explained to the board the purpose of the 4.503% of salary was to help fund the system. If the board agrees with the university proposal, it would require that we increase the employer contribution .595%. In lieu of a contribution rate increase, we would add 5.2 years to the current amortization period to fund our unfunded liability.

Tom Bilodeau, representing MEA, was present to express their opposition to this proposal. The MEA is not opposed to the University System wanting a more equitable plan for their employees, but states we do not wish to pay for that. His suggestion was for the Regents go to the legislature for an appropriation to pay for their cost to TRS, but not to allow them to dump that cost. Mr. Bilodeau indicates MEA is opposed to both immediate elimination or a phase out of the University's contributions. MEA does not feel the school teachers, school district or county levies should be penalized for the university faculty leaving TRS with an unfunded liability.

Bob Anderson, Montana School Board Association, also expressed their opposition to this proposal. He stated that the school districts and tax payers should not be penalized. School districts could not handle more financial obligations to the retirement system to cover the unfunded liability created by the University System.

Chairman Cowan reminded the board of their fiduciary responsibility to all members by maintaining the integrity of the system and the dollars that are represented in the system. The board's best information leads to the conclusion that there are costs that we must consider.

After a lengthy discussion Craig Brewington moved the board not support the phase out plan of the University System for the ORP contribution and to oppose any legislative effort to alter the current percentage rate the TRS is receiving on salaries of the University System that would effectively reduce the University System's contribution toward the unfunded liability to the Teachers' Retirement System. Virginia Egli seconded the motion which carried.

After a brief recess the board reconvened.

Service Credit Correction - Sandra Darling. The Executive Secretary explained that in October 1989 the Teachers' Retirement System advised Mrs. Darling that her out-of-state teaching service during the 1968-69 school year would not qualify under the Montana Teachers' Retirement System and that contributions received to purchase this year were to be refunded. We failed to refund the contribution or to subtract the year of service from her account. Because of the considerable length of time that has elapsed since the discovery of this error and because Mrs. Darling is planning

her retirement, he recommended the board allow the service credit to stand. Craig Brewington moved to allow the service to stand. Virginia Egli seconded the motion which carried. It was noted the current system has some safeguards to help prevent such errors.

Dislocation Pay as Earned Compensation. The Executive Secretary explained that dislocation pay, while calculated at a mileage rate, is in addition to any reimbursement that an employee may be eligible for under the state travel expense guidelines. It was the recommendation of the Executive Secretary that dislocation pay be reported to the Teachers' Retirement System as earned compensation. Virginia Egli moved to accept the staff recommendation. Craig Brewington seconded the motion which carried.

NCPERS Conference - San Antonio, Texas - April 7-11, 1991. The Assistant Executive Secretary reported the next conference will be in San Antonio, Texas, from April 7-11, 1991. Mrs. Harrington noted that John Kranick had been appointed as the board member to attend the NCTR Conference in Baltimore, but was ill and unable to attend. There was no board member present at the Baltimore conference. She suggested that Mr. Kranick be allowed to attend the San Antonio conference instead. Craig Brewington moved that John Kranick represent the board at the San Antonio NCPERS Conference. Virginia Egli seconded the motion which carried.

National Council on Teachers' Retirement. The Executive Secretary explained the National Council on Teachers' Retirement is having a Directors' meeting in Chicago the first week in April 1991. They will pick up all expenses and there will be no cost to the Teachers' Retirement System. Mr. Senn would like to attend this conference with the board's approval. The board gave their consensus.

Suggested Resolution - Bruce Russell. The Executive Secretary and Dave Ohler, legal counsel, are reviewing the Administrative Rules and following the legislature will have a presentation on all rules including the resolution proposed by Mr. Russell.

Approval of Applications and Benefits. The board reviewed the regular retirement benefits, survivorships and adjustments. Virginia Egli moved to approve the regular retirement, survivorships and adjustments. Craig Brewington seconded the motion which carried.

Disabilities. The board reviewed the disability application of Emery Johnson and opted to delay their decision for further information and clarification.

Martha S. Lenneman - The board reviewed the application and attending physician's statement regarding the disability of Mrs. Lenneman. Virginia Egli moved to approve the disability benefits for Mrs. Lenneman. Craig Brewington seconded the motion which carried.

Mary C. Finn. The board reviewed the application and attending physician's statement regarding the disability of Mrs. Finn. Virginia Egli moved to approve the disability benefits for Mrs. Finn. Craig Brewington seconded the motion which carried.

The board recessed for lunch.

Board Per Diem. The Executive Secretary briefed the board on the per diem currently paid to board members. Members of the Teachers' Retirement Board receive $50.00 for each meeting day and for each day they are in attendance at either the NCTR or NCPERS Conference. The Teachers' Retirement Act provides that board members are eligible to receive $50.00 for each day they are attending meetings and/or for each day spent in the execution of their duties. A question has been raised as to whether the board should receive an additional $50.00 for each board meeting in compensation for the time spent in preparation. After a brief discussion Chairman Cowan directed the board be paid $50.00 for two days for each board meeting and for each day in attendance at a conference.

After some discussion concerning the interpretation of the disability statutes the board directed Dave Ohler, legal counsel, to review the statutes regarding disabilities and present them at the next board meeting.

Edward Thomas. The disability application for Mr. Thomas was deferred until the next meeting following the interpretation of the disability statues by Mr. Ohler and giving Mr. Thomas' attorney a chance to respond.

The board discussed finding a physician the board could use as a consultant. Chairman cowan directed Dave Senn, Dave Ohler and Beda Lovitt to find a physician for consultation purposes.

Next Board Meeting. The next board meeting will be March 28th and 29th. The board anticipated the need for a two day meeting to allow time for a regular meeting and the interviewing of offerors for the RFP for actuarial services. The meeting was adjourned.

J E Cowan
Chairman

David T Senn
Executive Secretary

EXECUTIVE SECRETARY'S REPORT

January 3, 1991

In November 1990 the board directed that we review the calculation of average final compensation and how the calculation was affected when an individual had a break in service, either through a leave of absence or retirement. The Teachers' Retirement Act provides that average final compensation is to be a member's highest three consecutive years' earnings. Consecutive is defined in Webster's as; "following on after the other in order without gaps or continuous". Continuous is defined as; "marked by uninterrupted extensions in space, time, or sequence". It has been suggested that we consider changing the statutory language from consecutive to contiguous meaning; "being of actual contact touching along a border or at a point". I have asked the system's actuary and attorney to review the statutory language together with several examples. A full report will be presented to the board at their next regular meeting.

The Legislative auditors have finished their biennial report of the Teachers' Retirement System. The exit conference is scheduled for Monday, January 7, 1991. As of this date, there is potentially one audit recommendation regarding investment of TRS cash. I will report the results of the exit conference during the regular board meeting.

On November 28th I meet with LeRoy Schramm and Larry Nachtsheim to review retirement system membership for 10 employees of the University System who have been awaiting some decision regarding membership requirements. We reviewed the duties and responsibilities of each position together with other positions within the University System. We found generally that positions holding the titles of Director, President, Vice President, Controller, and Assistant Controller should be members of the Teachers' Retirement System while positions with titles such as Environmental Health Officer and Manager of Mulitlith Department more properly belong under the Public Employees' Retirement System. As a result of this review two individuals have requested that they be allowed to transfer back to the Public Employees' Retirement System. These positions will be reviewed with members of the Public Employees' Retirement Board during the regular TRS Board meeting.

The board's contract with Hendrickson, Miller & Associates for actuarial services expires June 30, 1991. A Request for Proposal has been drafted anticipating responses will be received by February 28, 1991. A committee of the board would initially review the responses and make recommendations to the full board during a March board meeting. If the responses indicate that the cost will be much higher than our current budget request, we would have an opportunity to request additional funding during the current legislative session.

RETIREMENT LISTING

RETIREMENT APPLICATIONS - NOVEMBER 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Blake, Larry J.	05-01-90	V.R.	9.42	60			289.91
Johnson, GLenn C.	11-01-90	L & C	28.64	62	9,728.22	I	1,410.43
Rosengren, Joyce E.	07-01-90	N.M.C.	5.43	55			97.21
VanVoast, Joyce Jensen	08-01-90	V.R.	9.62	60			96.20
Waldhausen, Bruce	07-01-90	Roosevelt	25.44	50			738.24
Wolf, Robert C.	10-01-90	Beaverhead	32.01	62			1,269.02

SURVIVOR APPLICATIONS - NOVEMBER 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Johnson, Mary M. Survivor of Lester R. Johnson	09-01-90	Glacier	17.21	44 45	5,835.00	III	1,315.96

ADJUSTMENTS - NOVEMBER 1990

	RETRO TO	FROM	TO
Canham, Donald H. Increase in benefit to reflect use of actual salaries reported and termination pay amount.	07-01-90	1,722.55	1,722.64
Crowley, William F. Increase in benefit to reflect use of actual 1989-90 salary amount.	07-01-90	2,700.08	2,730.80

[redacted]ulkner, Martin A. Increase in benefit to reflect use of actual termination pay amount.	07-01-90	1,133.97	1,157.27
Furgason, Betty L. Increase in benefit to reflect use of actual 1989-90 salary amount.	07-01-90	1,270.50	1,281.82
Hanson, Thomas L. Increase in benefit to reflect use of actual 1989-90 salary and termination pay.	07-01-90	1,886.05	1,886.63
Hinerman, Alice M. Decrease in benefit to reflect use of actual salaries reported.	06-01-90	430.08	425.73
Johnston, Donald O. Increase in benefit to reflect use of actual salary and termination pay amounts.	09-01-90	1,884.78	1,899.02
Jutila, John W. Decrease in benefit to reflect use of actual 1989-90 salary and termination pay amounts.	07-01-90	2,980.34	2,960.10
Kaftan, Robert E. Decrease in benefit to reflect use of actual 1988-89 salary figure.	08-01-90	2,130.93	2,128.99
McNellis, Fred T. Change of Option due to divorce.	11-01-90	1,163.35	1,163.35
Milne, Charles M. Decrease in benefit to reflect use of actual termination pay amount.	07-01-90	1,802.44	1,785.37
Ollestad, Stephen B. [redacted]ncrease in benefit to reflect use of actual 1989-90 salary amount.	07-01-90	1,783.16	1,791.67

[redacted]son, Mary L. Increase in benefit to reflect use of actual 1989-90 salary reported.	07-01-90	1,566.87	1,582.62
Parsons, Angelina O. Increase in benefit to reflect use of actual termination pay amount.	07-01-90	2,273.62	2,274.28
Pierce, Harvey L. Decrease in benefit to reflect use of actual termination pay amount.	07-01-90	1,432.82	1,431.96
Safford, Jeffrey J. Increase in benefit to reflect use of actual termination pay amount.	07-01-90	1,744.64	1,744.96
Schwaller, Richard L. Decrease in benefit to reflect use of actual termination pay amount.	07-01-90	1,392.04	1,391.88
[redacted]llivan, Robert J. Increase in benefit to reflect use of actual 1989-90 salary reported.	07-01-90	976.61	986.54
Townes, Harry W. Increase in benefit to reflect use of actual 1989-90 salary and termination pay amount.	07-01-90	2,355.21	2,383.61
VonKuster, Lee N. Increase in benefit to reflect actual salary.	07-01-90	1,889.65	1,935.47
Waite, Betty J. Increase in benefit to reflect use of actual 1989-90 salary amount.	07-01-90	1,162.58	1,165.01

[redacted]IREMENT APPLICATIONS - DECEMBER 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Bakke, Edna	12-01-90	V.R.	5.00	60			59.80
Coburn, Jerry P.	10-01-90	V.R.	7.00	58	2,377.59	II	231.71
Cooper, Wayne J.	07-01-90	V.R.	14.00	60	542.50	II	343.44
DeKoning, Rosemary B.	12-01-90	V.R.	9.00	60			90.00
Haigh, Violet H.	07-01-90	Madison	16.88	63			294.51
Jensen, Betty	09-01-88	V.R.	13.71	53			215.04
McCallum, Jay R.	09-01-90	OPI(St.Dept.)	25.03	52	10,603.89	III	1,113.71
Peterson, R. Duane	05-01-86	V.R.	11.00	60			72.82

SURVIVOR APPLICATIONS - DECEMBER 1990

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Mc[redacted]Pheeters, Fusako	09-01-90	Flathead	15.00	65	3,902.59	II	269.39
Survivor of Evelyn M. Young				38			
[redacted]to, Kimberlee Jo	09-01-90	Flathead	15.00	36	3,902.59	II	241.79
Survivor of Evelyn M. Young				38			

ADJUSTMENTS - DECEMBER 1990

	RETRO TO	FROM	TO
Carpenter, John L. Decrease in benefit to reflect use of actual salary for 1989-90.	07-01-90	1,445.78	1,440.35
Moulds, Kathleen R. Increase in benefit to reflect an exemption to the 10% cap.	07-01-90	333.04	340.05
Watson, Kenneth L. Increase in benefit to reflect use of actual 1989-90 salary.	07-01-90	1,295.49	1,300.06

[redacted]lsh, James R. Decrease in benefit to reflect use of actual termination pay amount.	08-01-90	2,223.72	2,202.51

TEACHERS' RETIREMENT BOARD MEETING

March 29, 1991

Chairman Cowan called the meeting to order at 9:00 a.m. in the Office of the Teachers' Retirement System. Those present were:

Jim Cowan, Chairman
Virginia Egli, Active Teacher
Craig Brewington, Superintendent
John Kranick, Retired Teacher
Beda Lovitt, (for Nancy Keenan)
David L. Senn, Executive Secretary
Mary Harrington, Assistant Executive Secretary
Dave Ohler, Legal Counsel, TRS
Tom Billodeau, MEA
Bob Anderson, MSBA

Verna Green was absent.

Approval of the Minutes for January 11, 1991. Craig Brewington moved to approve the minutes as presented. Virginia Egli seconded the motion which carried.

Financial Statements, Budget Report and Investment Report. The Executive Secretary stated the Board of Investments has issued an investment report showing the investment earnings for the period ending June 30, 1990. Each board member received a copy to review. The budget report shows a deficit of $21,000.00 and a request for a budget amendment is currently in process. John Kranick moved to approve each of the reports as presented. Mr. Brewington seconded the motion which carried.

Executive Secretary's Report. The Executive Secretary reviewed the report submitted to the board which covered the candidates interviewed March 28, 1991, for actuarial services. He also explained Section 415 of the Internal Revenue Code which limits the retirement income of public pension plans.

The National Council on Teachers' Retirement is hosting a meeting in Washington, D.C., in April to discuss legislation affecting public pension plans. Mr. Senn has been asked to attend and NCTR will be paying 100% of his expenses. The Exectuive Secretary will meet with Congressman Pat Williams while attending the meeting. Congressman Williams is chairman of the Labor-Management Relations Subcommittee. Mr. Kranick moved to send Mr. Senn to Washington for this meeting. Mrs. Egli seconded the motion which carried unanimously.

OLD BUSINESS

Legislation. The Executive Secretary reported that the legislation requested by the board has been very successful. He reviewed the legislation proposed and gave the status of the each bill.

Bud Lee - Acting Superintendent, Pine Hills. The Executive Secretary explained Bud Lee had recently been appointed as acting superintendent of Pine Hills School and has ask the Teachers' Retirement Board if this appointment would qualify him for membership under the Teachers' Retirement System. Craig Brewington moved that Mr. Lee not be allowed membership under TRS until this appointment becomes permanent. Mr. Kranick seconded the motion which carried.

NEW BUSINESS

Gary Dreikosen. The Executive Secretary explained that Mr. Dreikosen is a member of both Teachers' Retirement System and in the summer a member of Public Employees' Retirement System. Mr. Dreikosen has been employed in the position covered under the Public Employees' Retirement System since 1973. Mr. Senn further explained that in 1989 Mr. Dreikosen had received information from PERS that he could transfer PERS salaries to TRS to be used in the calculation of retirement benefits even though he would not receive any additional service credit for the transfer. Since that time the 1989 legislature has clarified the law concerning the transfer of salaries and this practice is no longer allowed. After a discussion concerning past practices and the fact that Mr. Dreikosen's file indicates he has relied on information stating he would be allowed to transfer salaries for retirement, Mr. Kranick moved to approve Mr. Dreikosen's transfer of salaries from PERS for the use in calculating retirement benefits. Mr. Brewington seconded the motion which passed.

Study of TRS Data Processing System. The Executive Secretary relayed to the board that Cyberserv International had completed their study of our data processing system. The report was completed by Dr. Corydon Hurtado and submitted to each board member for their review.

Approval of Applications and Benefits. The board reviewed the regular retirement benefits, survivor benefits and adjustments. Mr. Brewington moved to approve the regular retirement, survivorships and adjustments. Mrs. Egli seconded the motion which carried.

The Executive Secretary explained that the board had received a request from Tony Smart-Kettlewell, nominated beneficiary of the account of Neil M. Kettlewell. Mrs. Smart-Kettlewell has requested the Teachers' Retirement Board allow her to waive her rights as beneficiary of Neil M. Kettlewell and that all proceeds of the account be made payable to the first contingent beneficiary, Brent Kettlewell. Mr. Brewington moved to approve Mrs. Smart-Kettlewell's request. Mr. Kranick seconded the motion which carried.

Disabilities. The board reviewed the disability application of Edward Thomas. Tom Billadeau of MEA represented Mr. Thomas and explained his disability. After the explanation and discussion Mr. Kranick moved to deny Mr. Thomas' application for disability benefits. Mr. Brewington seconded the motion which carried with two voting "Aye" and one voting "Nay".

Mary "Eleanor" Burns - The board reviewed the application and attending physician's report of Mary "Eleanor" Burns. Mrs. Egli moved to approve Mrs. Burns disability. Mr. Brewington seconded the motion which carried.

Duane A. Gripentrog - The board reviewed the application and attending physician's report of Duane Gripentrog. Mr. Brewington moved to approve Mr. Gripentrog's disability application. Mrs. Egli seconded the motion which carried.

Al James - The board reviewed the application and attending physician's report for Mr. James. Mr. Brewington moved to table Mr. James' application until the board receives further employer information. Mrs. Egli seconded the motion which carried.

Marcia Weaver - The board reviewed the application and attending physician's report for Mrs. Weaver. Mr. Brewington moved to approve Mrs. Weaver application and Mrs. Egli seconded the motion which carried.

Emery Johnson - The board reviewed the application and attending physician's report. Mrs. Egli moved to approve Mr. Johnson's application for disability benefits. Mr. Kranick seconded the motion which carried.

The meeting adjourned for lunch.

Chairman Cowan called the meeting back to order at 1:37 p.m.

The board discussed the presentations for actuarial services of Gabriel, Roeder, Smith & Company; Milliman & Robertson, Inc.; Deloitte & Touche; and Martin E. Segal Company. Mr. Brewington moved to contract for actuarial services with Milliman & Robertson, Inc. Mr. Kranick seconded the motion which carried.

Next Board Meeting. The next board meeting will be May 30, 1991. The meeting was adjourned.

J E Cowan
Chairman

David L Sean
Executive Secretary

EXECUTIVE SECRETARY'S REPORT

David L. Senn
March 19, 1991

The Teachers' Retirement Board received six proposals in response to our request for actuarial services. The current consulting actuary, Hendrickson, Miller & Associates, elected not to make a proposal and has advised the Executive Secretary that they are changing the scope of their business to work only in the private sector. The six proposals were received from the following firms:

Gabriel, Roeder, Smith & Company	$41,200
Martin E. Segal Company	$30,000
Deloitte & Touche	$28,000
Milliman & Robertson, Inc.	$26,000

State and local government retirement systems have been frustrated in their attempts to comply with Section 415 of the Internal Revenue Code by definitional differences and plan design aspects distinctive to public plans. Legislative remedies have been introduced by Representative Robert Matsui (D-CA).

Section 415 imposes two basic limits on the retirement income of public pension plans, namely the retiree's benefit cannot exceed either: (1) 100% of his/her average income over the three consecutive years of highest W-2 compensation or (2) a maximum dollar amount which may be actuarially reduced in the case of early retirement.

If the benefits of even one employee happens to exceed either of these Section 415 limits simply by the operation of the regular benefit formula under TRS, the entire plan can loose it qualified "tax-exempt status". If a plan were disqualified, earnings of the pension plan would be subject to taxation. Furthermore, contributions made by employers would be taxable to the employee in the tax year in which they were made.

Representative Matsui, along with 50 co-sponsors, introduced HR 1348 "The Public Pension Equity Act of 1991" on March 7, 1991. This bill will address the concerns of the Teachers' Retirement System.

Congressman Pat Williams was recently selected as Chairman of the Labor-Management Relations Subcommittee. This committee hears most legislation affecting public pension plans. To take advantage of the Montana representation on this committee, the National Council on Teachers' Retirement has invited me to Washington, D.C., this spring to meet with Pat to discuss state and federal issues affecting public pension plans.

RETIREMENT LISTING

RETIREMENT APPLICATIONS - JANUARY 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Beaver, Ronald D.	01-01-91	N.M.C.	30.17	53	8,865.99	I	1,810.58
Brown, Mary Agnes	01-01-91	Silver Bow	40.21	65	13,322.96	I	1,987.53
Bustos, Darla Gay	01-01-91	E.M.C.	17.02	54			374.00
Clark, Allen T.	01-01-91	State Dept	31.00	65	2,119.45	I	1,147.56
Deters, Carol L.	01-01-91	Meagher	14.00	50			235.19
DeVault, Guillaume P.	01-01-91	V.R.	6.00	58			108.43
Egeland, Agnes J.	01-01-91	Yellowstone	20.02	60	7,703.39	I	886.02
Ferguson, A. Hayden	01-01-91	M.S.U.	34.67	62	13,500.00	I	2,310.93
Ferrell, Glennadene	01-01-91	Lake	31.67	61			857.61
Kinna, Robert G.	01-01-91	Roosevelt	30.67	52	9,293.20	III	2,246.05
Morehouse, Warren L.	01-01-91	L & C	35.52	56	13,223.11	I	2,027.06
Pehl, Alice L.	01-01-91	Prairie	13.47	60			289.89
R[redacted], Richard J.	01-01-91	M.S.U.	17.06	64	9,518.48	I	1,209.07
R[redacted]nkranz, Edwin	01-01-91	U of M	28.44	62	8,669.08	I	1,383.75
W[redacted]e, Ray J.	07-01-90	M.S.U.	8.22	55	2,355.00	II	264.20

ADJUSTMENTS - JANUARY 1991

	RETRO TO	FROM	TO
Beuerman, Donald R. Increase in benefit due to Board ruling on effective date of retirement.	08-01-90	1,416.93	1,467.02
Brumbaugh, Richard A. Increase in benefit to reflect use of actual 1989-90 salary amount.	07-01-90	774.62	777.30
Butler, Dale E. [redacted]crease in benefit due [redacted] lawsuit - account [redacted]vided equally between [redacted]survivors.	07-01-87	1,048.02	524.01

Carlson, Loyal E. Increase in benefit per Board meeting of November 16, 1990.	07-01-89	707.66	935.65
Elison, Larry Increase in benefit due to Board ruling on effective date of retirement.	02-01-90	2,005.87	2,202.20
Foster, Lloyd Decrease in benefit to reflect actual 1986-87 salary.	07-01-89	579.61	544.82
Parsons, Angelina O. Increase in benefit to reflect use of actual 1989-90 salary.	07-01-90	2,274.28	2,277.49

RETIREMENT APPLICATIONS - FEBRUARY 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Carpenter, Dale F.	10-01-90	Silver Bow	25.13	48	7,441.28	I	1,132.39
Drake, Eric	08-01-87	V.R.	5.00	60			60.49
Fawcett, Stanley A.	02-01-91	V. R.	18.00	60	3,141.85	I	879.08
Hoffman, Emma	02-01-91	V. R.	11.17	60			114.57
Hughes, Dolores A.	02-01-91	Phillips	16.36	70			425.35
Johnson, Raymond	02-01-91	Pondera	25.10	48	5,797.50	I	1,527.38
Rooney, Lawrence F.	12-01-86	V. R.	4.83	60			84.36
Saurey, Peggy E.	02-01-91	Flathead	21.25	66			884.03
Seamons, Dwight C.	02-01-91	M.S.U.	25.40	54	9,384.09	I	1,546.26
Smith, Daniel J.	02-01-91	V.R.	5.74	50	1,851.79	II	121.76
Stewart, Vern R.	02-01-91	M.S.U.	42.78	64	37,414.00	I	2,158.10
VandeVenter, Nancy	02-01-91	V. R.	15.75	50	5,820.31	I	364.18

AD[redacted]STMENTS - FEBRUARY 1991

	RETRO TO	FROM	TO
Dilbeck, Melvin L. Increase in benefits to reflect use of actual 1989-90 salary.	07-01-90	1,211.81	1,213.74
Flick, Kathryn L. Increase in benefits to reflect use of actual 1989-90 salary.	07-01-90	87.26	87.88
Gore, Ronald G. Decrease in benefits to reflect actual 1989-90 salary.	07-01-90	1,346.99	1,344.81
Greenfield, Delbert J. Increase in benefits to reflect use of actual 1989-90 salary.	07-01-90	753.70	755.10

[redacted]

RETIREMENT APPLICATIONS - MARCH 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Burnett, Patricia	03-01-91	V.R.	10.18	60			106.92
Erickson, Doris O.	09-01-90	V.R.	22.38	60			450.69
Graham, Margaret W.	07-01-90	Pondera	49.56	74			1,922.88
Jimason, Mary	07-01-84	V.R.	20.59	60			153.23
Kanta, Margaret	10-01-90	Rosebud	17.50	60			345.00
Stebbins, Paul G.	02-01-91	V.R.	22.02	50	10,977.85	II	1,054.30

[redacted]

[redacted]IVOR APPLICATIONS - MARCH 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Thornton, Max E. Survivor of Katherine K. Thornton	03-01-91	Yellowstone	19.10	67 62	7,701.33	I	1,077.41

ADJUSTMENTS - MARCH 1991

	RETRO TO	FROM	TO
Darlington, L. Dorrene Increase in benefits to reflect use of term pay under Option III.	07-01-90	1,054.15	1,057.82
Lebsock, Roger D. Increase in benefits to [redacted]flect actual 1991 PRA [redacted]ount, that the system [redacted]iled to calculate.	01-01-91	269.87	271.55
Lorenz Jr., Leo Increase in benefits to reflect actual 1991 PRA amount, that the system failed to calculate.	01-01-91	152.23	155.74
Maclennan-Degel, Margaret Increase in benefits to reflect actual 1991 PRA amount, that the system failed to calculate.	01-01-91	820.09	825.85
Neuhardt, Otto Increase in benefits to reflect use of actual salaries.	07-01-90	1,491.67	1,493.28
Neumann, Mikell J. Decrease in benefits to reflect use of actual [redacted]88-89 & 1989-90 [redacted]laries & FTE figures.	07-01-90	871.34	847.29

[redacted] [redacted] [redacted]

O[redacted]ood, Marlyn B. Increase in benefits to reflect use of actual 1989-90 salary.	07-01-90	1,034.01	1,036.84
Roush, Allan G. Increase in benefits to reflect use of actual 1989-90 salary amount.	09-041-90	1,531.34	1,532.86
Schmidt, Aaron Increase in benefits to reflect actual 1991 PRA amount, that the system failed to calculate.	01-01-91	224.06	225.13
Soelter, Janice Duncan Increase in benefits to reflect actual 1991 PRA amount, that the system failed to calculate.	01-01-91	274.07	276.34
Tillery, Beverly A. [redacted]crease in benefits to [redacted]flect use of actual [redacted]987-88 & 1989-90 salary amounts.	07-01-90	577.55	579.44
Tracy, Raymond E. Increase in benefits to reflect use of actual salaries.	07-01-90	1,023.74	1,024.18
Vinnedge, Wallace D. Increase in benefits to reflect use of term pay under Option III.	07-01-90	1,600.18	1,623.97
Williams, Theodore T. Increase in benefits to reflect use of actual 1990-91 salary amount.	09-01-90	3,035.95	3,039.18

[redacted]

TEACHERS' RETIREMENT BOARD MEETING

May 30, 1991

Chairman Cowan called the meeting to order at 9:00 a.m. in the Office of the Teachers' Retirement System. Roll was called and those present were:

Jim Cowan, Chairman
Virginia Egli, Active Teacher
Craig Brewington, Superintendent
John Kranick, Retired Teacher
Beda Lovitt, (for Nancy Keenan)
David L. Senn, Executive Secretary
Mary Harrington, Assistant Executive Secretary
David Ohler, Legal Counsel, TRS
W. Garry Rafter, County Superintendent

Verna Green was absent.

Approval of the Minutes for March 29, 1991. Virginia Egli moved to approve the minutes as presented. John Kranick seconded the motion, which carried.

Financial Statements, Budget Report, and Investments. David Senn presented the financial statements and budget report. Jim Cowan discussed the investment report and the Board of Investments' recent activity relating to the investigation of international investments. Craig Brewington moved to approve the reports as presented. John Kranick seconded the motion, which carried.

Executive Secretary's Report. The Executive Secretary reviewed the report submitted to the Board. He also noted that two employees had left Teachers' Retirement System; Debbie McRae and Connie Ewing. Lois Petersen has been hired as the Secretary and the system is currently recruiting for the position of Information Specialist.

OLD BUSINESS

Legislation. The Executive Secretary reviewed the efforts of the 1991 Legislature and the impact on the Teachers' Retirement System. He advised the Board that the Teachers' Retirement System had been named in the lawsuit filed by federal retirees claiming that Senate Bill 226 was discriminatory and unconstitutional, and should be declared null and void.

VALIC Contract. John Wing, representing VALIC, was present to explain to the Board how interest was posted on TRS tax deferred annuity accounts transferred to VALIC in January, 1990. He stated that the guaranteed interest rate of 8.75% for 2 years on all dollars transferred from the Teachers' Retirement System was stated as an effective annual yield. He explained that in actual practice, VALIC credits a guaranteed rate daily (4.5%) and the excess rate quarterly. Therefore, it may not appear to members that they are receiving 8.75% on the money transferred from the

Teachers' Retirement System. However, the compounding effect of the daily and quarterly excess rates results in an effective annual yield of 8.75%. He reviewed examples with the Board explaining how this calculation was made. The Board discussed the calculation of interest on dollars transferred and the interest rate credited to all new money earned and deposited after January 1, 1990. The Chairman thanked Mr. Wing for his presentation and Mr. Wing departed the meeting.

Report on Average Final Compensation. The Executive Secretary presented a report on average final compensation recommending that: (1) average final compensation be determined by using the member's three highest fiscal years' earnings for full time years of creditable service when retirement follows the end of the fiscal year. (2) when a member's full time service is terminated during the fiscal year, average final compensation be determined using the final 36 months full time creditable service reported to the Teachers' Retirement System unless the fiscal years' salaries result in a larger average final compensation. (3) he recommended that administrative rules be updated to properly reflect these changes, and the statutes of the Teachers' Retirement System be reviewed. John Kranick moved to accept the recommendations of the Executive Secretary. Virginia Egli seconded the motion, which carried.

Attorney's Report. Dave Ohler reported that negotiations with First Bank Lewistown regarding the Estes estate had resulted in a compromised settlement of $1,100.00. This was half the amount that we were seeking. Also, a claim had been filed against the estate for the overpayment on the account of John E. Moore. The attorney for the estate responded they did not believe the claim had been timely filed and had moved for dismissal.

Mr. Ohler reviewed the lawsuit filed by federal retirees asking that Senate Bill 226 be declared null and void. He also reported that in the case of Arneson vs. the Teachers' Retirement System, a scheduling conference has been set for June 6, 1991 between Judge Sherlock, himself, and opposing counsel. Mr. Ohler also reported that in the case of Edward Thomas' disability, he was still working to determine the proper proceeding for a hearing for Mr. Thomas that would involve the Attorney General's office.

Actuarial Contract. The Executive Secretary reported that he had received a draft contract from Milliman & Robertson, Inc. on May 28, 1991. He reported that in negotiations with Milliman & Robertson, Inc., it had been agreed that the actuarial evaluation of the Teachers' Retirement System would be conducted effective July 1, 1992 and that an update would be performed to generate the information required by the Governmental Accounting Standard Board effective July 1, 1991. Milliman & Robertson, Inc. has also proposed that payments be made in fixed monthly installments during the 24-month contract and has asked for an additional $1,000.00 for the 1991 GASB Report. Mr. Kranick moved to approve the actuarial contract as presented by the Executive Secretary. Virginia Egli seconded the motion, which carried.

NEW BUSINESS

Calculation of 10% Limitation. The Executive Secretary reported that Mr. Morrison had called the day before the meeting stating that the Executive Secretary's letter of May 17, 1991, adequately explained the calculation of the 10% statutory cap and he was withdrawing his request for reconsideration.

Gordon Vanderpan Average Final Compensation. Mr. Vanderpan retired under the Teachers' Retirement System effective July 1, 1987. Mr. Vanderpan subsequently returned to active employment with Teachers' Retirement System on August 1, 1990 and applied for retirement benefits effective July 1, 1991. Mr. Vanderpan requested the calculation of average final compensation include his salary for the 1990-91 school year of $57,320.00 and his last two years employment prior to retirement. The Executive Secretary noted that the Board adopted the recommendations contained in the report on average final compensation which would allow for the calculation of average final compensation as requested by Mr. Vanderpan.

Overpayment of Option E benefits. The Executive Secretary reported that Halver M. Skinner retired effective July 1, 1972 under Option E which was to provide for a joint retirement benefit while both he and his wife were living and upon the death of either, the retirement benefit was to be reduced to 2/3. The Teachers' Retirement System was not notified of Mrs. Skinner's death in August 1985 which has resulted in an overpayment of retirement benefits of $18,307.43. Mr. Skinner has proposed to repay this amount at the rate of $100.00 per month withheld from his monthly retirement benefit. Chairman Cowan suggested that the Teachers' Retirement System accept an assignment against a life insurance policy covering Mr. Skinner if available. Virginia Egli moved to request assignment against a life insurance policy if available, otherwise to accept Mr. Skinner's proposal of repayment at the rate of $100.00 per month.

The Executive Secretary also reported that another overpayment under Option E had been discovered in the case of Russell Neal. The amount of the overpayment was $851.32. Preliminary indications indicated that the Teachers' Retirement System would be reimbursed.

Lump Sum Buy Out. The Teachers' Retirement System requires that all lump sum payments made under contract to employees of school districts for bonuses, unused personal leave days, or for accruals of leave in excess of that allowed under contract, be reported as earned compensation unless paid on account of termination. Under this rule, when an employer first establishes a policy to make such lump sum payments and the first year's payment includes several years accumulation, the TRS has not allowed the first year's payment to be reported as earned compensation. Robert Halgren has requested the Board allow, in the first year, only the current year's excess accrual and continue to exclude payments for prior years. Mrs. Egli moved to adopt the proposal of Mr. Halgren. Mr. Kranick seconded the motion, which passed.

NCPERS Conference Report. Mary Harrington and John Kranick reported on the NCPERS Conference. Mr. Kranick noted that the majority of the conference was dedicated to topics involving investments and he did not feel the conference was responsive to his needs as a Board member of the Teachers' Retirement System. Mrs. Egli and Mr. Cowan, who had attended previous NCPERS conferences, also stated that they too had felt that the conference was heavily weighted toward investments. Mr. Kranick moved to terminate membership in the National Council of Public Employees' Retirement System. Mr. Brewington seconded the motion, which passed.

NCTR Conference delegates. The National Council of Teachers' Retirement annual conference, September 29 through October 3, 1991 in Portland, Oregon. Mr. Kranick moved to send David Senn, Virginia Egli, and Jim Cowan as delegates of the Teachers' Retirement System and Craig Brewington as an alternate. Mr. Brewington seconded the motion, which passed.

Approval of Applications, Benefits, and Adjustments. Mr. Kranick stated that he had spoke with Allen Clark regarding the proposed adjustments in his retirement benefit and asked that any action on Mr. Clark's benefit be postponed. The Executive Secretary reported that Roberta A. Stevens, nominated beneficiary of Florence Alfred, requested that she be allowed to waive her rights to survivor benefits. Mrs. Egli moved to approve the regular and survivor benefits, and adjustments, excluding Mr. Clark, and the request to waive beneficiary rights as presented. Mr. Kranick seconded the motion, which carried.

Disabilities.

Al James - Mr. James' application for disability retirement benefits had been tabled during the Board meeting of March 29, 1991. The Board reconsidered the disability application and additional medical information submitted by Mr. James. Mrs. Egli moved to approve Mr. James' application for disability benefits. Mr. Kranick seconded the motion, which carried.

Gail L. Zarr - The Board reviewed the application and attending physician report of Gail L. Zarr. Mr. Brewington moved to deny the disability application of Mr. Zarr. Mr. Kranick seconded the motion, which carried.

Next Board Meeting. The next Board meeting will be September 6, 1991. The meeting was adjourned.

Chairman

Executive Secretary

RETIREMENT LISTING

RETIREMENT APPLICATIONS - APRIL 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Coburn, Evelyn J.	04-01-91	V. R.	8.00	58	2,000.76	II	219.71
Jones, Edward E.	04-01-91	Yellowstone	32.97	65	19,502.22	I	2,121.88
Krueger, Norman D.	04-01-91	Dawson	28.67	52	4,154.84	I	1,415.45

SURVIVOR APPLICATIONS - APRIL 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Darlington, L. Dorrene	02-01-67	V. R.	9.30	35			43.10
Survivor of Leonard Paul Weskamp				34			
ufman, Forrest H.	02-01-91	Sanders	18.42	58			665.69
Survivor of C. Charlaine Kaufman				53			

ADJUSTMENTS - APRIL 1991

	RETRO TO	FROM	TO
Brown, Mary Agnes Decrease in benefits to reflect use of actual days & salary for the 1990-91 school year.	01-01-91	1,987.53	1,986.64
Clark, Allen T. Decrease in benefits to reflect correct factor for difference in ages under Opt A & to reflect correct salary for calendar year 1988.	01-01-91	1,147.56	1,103.71

[redacted]eland, Agnes J. Increase in benefits to reflect use of actual 1990-91 salary paid.	01-01-91	886.02	894.10
Grayson, Lyle B. Decrease in benefits to reflect change in beneficiary due to divorce.	04-01-91	591.89	562.44
Hughes, Dolores A. Increase in benefits to reflect use of actual salaries.	02-01-91	425.35	426.93
Seamons, Dwight C. Decrease in benefits to reflect use of actual term pay figure.	02-01-91	1,546.26	1,544.24

RETIREMENT APPLICATIONS - MAY 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Kelley, Ann M.	11-01-90	Tech	20.42	61			747.89
Larson, Patricia	07-01-90	Missoula	34.58	56			1,251.47
Price, David A.	04-01-91	Missoula	28.91	52	6,186.00	III	1,883.31
Stoll, Ilen E.	04-01-91	Tech	16.93	59	2,395.95	I	504.24

SURVIVOR APPLICATIONS - MAY 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
[redacted]rker, Doris E.	05-01-91	Gallatin	22.27	68	10,878.30	I	1,319.93
Survivor of Jack L. Parker				65			
[redacted]ylor, Betty P.	04-01-91	U of M	36.47	67	11,641.63	I	2,319.53
Survivor of Dee C. Taylor				68			

[redacted]JUSTMENTS - MAY 1991

	RETRO TO	FROM	TO
Greer, Lois A. Change in option due to divorce from original beneficiary.	05-01-91	981.80	962.84
Henning, Daniel H. Increase in benefits to reflect bonus.	09-01-90	1,676.79	1,690.44
Howard, Ingeborg E. Increase in benefits to reflect use of actual salary & termination pay.	07-01-90	945.59	1,054.44
Hunt, Ivan R. Change in option due to death of original beneficiary.	04-01-91	1,383.48	1,383.48
[redacted]rin, Robert W. Change in option due to divorce from original beneficiary.	05-01-91	639.48	719.41
Therriault, James P. Change in option due to divorce from original beneficiary.	05-01-91	523.73	601.64
Thornton, Max E. Decrease in benefits to reflect use of actual 1990-91 salary amount & actual years of creditable service.	03-01-91	1,077.41	1,066.54
White, Ray J. Increase in benefits to reflect use of actual termination pay amount.	07-01-90	264.20	265.05

TEACHERS' RETIREMENT BOARD MEETING

September 6, 1991

Chairman Cowan called the meeting to order at 9:00 a.m. in the Office of the Teachers' Retirement System. Roll was called and those present were:

Jim Cowan, Chairman
W. Craig Brewington
John Kranick, Retired Teacher
Beda Lovitt, (for Nancy Keenan)
David L. Senn, Executive Secretary
David Ohler, Legal Counsel, TRS

Approval of Minutes for May 30, 1991. John Kranick moved to approve the minutes as presented. Craig Brewington seconded the motion, which carried.

Financial Statements, Budget Report, and Investment Report. The Executive Secretary presented the financial statements and budget report. It was stated that in order to have cash invested on a more timely basis, the Board of Investments has purchased fax machines for both the TRS and PERS offices. John Kranick moved to approved each of the reports as presented. Mr. Brewington seconded the motion, which carried.

Building Maintenance Proposal. Staci Litschauer presented the Building Maintenance Proposal. Staci mentioned that we are trying to have a larger sign put out in front of the building and are awaiting estimates from General Services Division.

She explained that we are trying to get estimates for new carpet for the Board Room, the front area, the back room, and the back hallway. The carpet is the original carpet from when the building was first occupied in 1971.

Dave Senn explained that we plan to have the interior walls painted at no extra cost to TRS. The cost is included in the monthly maintenance fee paid to General Services.

Dave noted that the improvements would not be part of the TRS budget appropriation.

Craig Brewington made the motion for Dave Senn to use his discretion in determining the proper expenditures for the improvements as outlined and should there be anything unusual or out of line, that he notify the Board. John Kranick seconded the motion, which carried.

Data Processing Maintenance/Enhancements. Rod Sheppard presented the data processing maintenance/enhancements. Rod explained that TRS is exploring the possibility of running the TRS mainframe

applications in-house to save annual ISD costs of over $60,000.00 and allow for greater report flexibility and information queries. This would require the purchase of a 486/33mhz server and Novell 386 Netware. The server update and the Novell 386 Netware will be necessary regardless if TRS stays with ISD, or if some applications are brought in-house, or if TRS decides to go with an in-house vendor product.

Dave Senn pointed out that a new system would be able to make the calculations for the cost to purchase additional service and at the same time generate a letter advising the member of the cost and interest accrued.

Retired Microfiche Project. John Kranick moved to pursue specifications to send the retired microfiche project out for private bids. Craig brewington seconded the motion, which carried.

Executive Report. The Executive Secretary reviewed the report submitted to the Board which covered mandatory social security coverage, Administrative Rules, NCTR Washington D. C. meeting, and MEA pre-retirement planning seminar.

Tom Bilodeau of the Montana Education Association was present to further discuss the pre-retirement planning seminar. Tom stated that the MEA Retirement Committee will be meeting on November 10th and 11th.

Bill Mandeville was present from the Governor's Budget Office and is interested in what action the Board will take on SB 226. Dave Senn explained that the Revenue Oversight Committee was charged with reviewing the issue of taxation of state pension plans. They have been concerned not only with the taxation but the benefit adjustment that was also provided by SB 226. SB 226 was effective January 1, 1991. Greg Petesch Legal Counsel for the Legislative Council has issued the opinion that he feels the adjustment should have been made June 1, 1991. TRS is working on making the necessary data processing changes to make the adjustments and drafting administrative rules. The Revenue Oversight Committee is next scheduled to meet October 4.

Legal Counsel Report. Dave Ohler recommended a settlement figure for the John E. Moore case in the amount of $6,151.00. The motion was made by John Kranick to table the matter for legal counsel's further review. Craig Brewington seconded the motion with the understanding to wait until the last minute (September 18, 1991) and then settle for $6,151.00. The motion carried.

Average Final Compensation - Mid Year Retirement. Dave Senn explained that due to the University System changing from the quarter system to the semester system, it is necessary to calculate average final compensation by using the salaries reported for the first semester and eliminate the oldest quarterly salaries reported in the last 36 months. If this adjustment is not made, instead of using three full consecutive years salaries, we would

include 3¼ years in the calculation of average final compensation.

Interest Accrual on Additional Service - Addie Sullivan. Gerald Sullivan, Husband of Addie Sullivan, was present on behalf of his wife. Craig Brewington made the motion to waive the interest due from Mrs. Sullivan due to the fact the TRS office should have notified Mrs. Sullivan on two different occasions that additional interest was due. John Kranick seconded the motion, which carried.

Purchase Leave Service - Joan Weller. Tom Bilodeau stated that Mrs. Weller was on a partial sabbatical and should not be penalized for taking a 40% contract. Dave Senn suggested looking to making allowances in the law to allow for continuing education of professional development. John Kranick moved to disapprove the purchase of leave by Joan Weller and also recommended that the Executive Secretary look into avenues of possibly addressing professional leaves. Craig Brewington seconded the motion, which carried.

VALIC/TRS Deferred Annuity Brochure. John Kranick moved to table the decision to send out the VALIC/TRS brochure until the November 15 Board meeting for legal counsel review and so that the VALIC contract could be reviewed regarding the requirements of TRS to endorse VALIC. Craig Brewington seconded the motion, which carried.

Personnel Policies. Dave Senn presented and reviewed the personnel policies for the Board's approval. Craig Brewington made the motion to approve the personnel policies, John Kranick seconded the motion, which carried.

Request for Retiree Addresses - Alve Thomas. Alve Thomas was present from the Montana Retired Teachers' Association and requested approval from the Board for the MRTA to obtain a list of addresses of retired members from TRS. Craig Brewington made the motion that TRS develop a computer program that will printout names and addresses of retired members. John Kranick seconded the motion, which carried.

Approval of Applications and Benefits. The Board received a report on overpayment for Options D & E showing the arrangements made on the overpayments as follows: 1) The Estes Estate has been settled for $1,100.00; 2) Edmund Sedivy - TRS is in process of accepting an assignment on his life insurance policy; 3) Halver Skinner - TRS is receiving $100.00 per month; Florence Smith - TRS is receiving $279.61 per month; Vincent Boyle - TRS is receiving $100.00 per month; Rex Campbell - TRS is receiving $100.00 per month; and Carl Engelback - TRS is receiving $50.00 per month.

Craig Brewington made the motion to send out a third and final notice stating that if the retirees do not respond within a reasonable time, they risk having their retirement withheld until they notify the retirement Board on the information requested. John Kranick seconded the motion, which carried.

Retirement Benefits

Regular. The Board reviewed the regular retirement benefits, survivor benefits and adjustments. Craig Brewington moved to approve the regular retirement, survivorships, and adjustments. John Kranick seconded the motion, which carried.

Disabilities. Mary Harrington presented the disabilities.

- **Sally George** - The Board reviewed the disability application of Sally George. John Kranick made the motion to approve the disability, and Craig Brewington seconded the motion, which carried.

- **Patricia Billingsley** - the disability of Patricia Billingsley was tabled pending additional information from her employer.

- **Donna L. Hart** - John Kranick made the motion to approve Mrs. Hart to apply for disability. Craig Brewington made the substitute motion to allow her to apply for disability and to approve her application once she has applied with retroactive benefits back to 1986. John Kranick seconded the motion, which carried.

Next Board Meeting. The next Board meeting will be November 15, 1991.

The meeting was adjourned.

Chairman

Executive Secretary

EXECUTIVE SECRETARY'S REPORT
BOARD MEETING SEPTEMBER 6, 1991

SOCIAL SECURITY COVERAGE:

On June 28, 1991, the Internal Revenue Service (IRS) issued final regulations on the new requirement mandating full social security coverage for public sector employees who are not members of a retirement system. These regulations will have minimal impacts on school districts in the State of Montana, however, districts who have not contracted for PERS or social security coverage for their non-TRS employees will be required to report these employees to social security or to contract for PERS coverage. They could also establish a tax deferred annuity program requiring that non-covered employees contribute at least 7 1/2% of their salary. This type of plan would avoid any additional costs to the school district other than administrative.

School districts will also have to provide social security coverage or other benefits to part-time, temporary and seasonal employees who may be exempt from either TRS or PERS. No one seems to know how many school districts do not have social security contracts, but it appears that as many as 100 may not be covered.

ADMINISTRATIVE RULES:

Administrative rules governing the Teachers' Retirement System have been drafted and submitted to the Governor's Office for review. Once we have received the Governor's Office comments, we will notice the rules for public comment. During the Board's next regular meeting, recommendations will be made to adopt, change, or re-notice the administrative rules.

WASHINGTON D.C. MEETING:

The National Council on Teachers' Retirement has rescheduled the April congressional delegate meetings that were postponed because of the state employee's strike, to September 23rd and 24th.

The NCTR will cover all travel expenditures associated with my participation in these meetings. We are scheduled to meet with Montana's congressional delegates to discuss minimum participation rules, non discrimination and social security. We will also be meeting with other key congressional delegates

to discuss federal statutes and regulations affecting public retirement plans.

PRE-RETIREMENT PLANNING TRAINING:

The Montana Education Association has asked if we would be interested in participating in pre-retirement planning seminars available to members of the Teachers' Retirement System. The objective of the seminars would be to develop a sound overview of pre-retirement planning issues relating to finances and taxation, but also extending to estate, insurance psycho-social adjustment, and related matters.

I responded that we would be pleased to participate in the pre-retirement planning seminar provided the seminars were open to all members of the Teachers' Retirement System regardless of classification or professional affiliation. I will be meeting with the MEA Retirement Committee on November 9th to further discuss this issue as well as other TRS related topics.

RETIREMENT LISTING

RETIREMENT APPLICATIONS - JUNE 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Brunckhorst, Beverlee	05-01-91	Vested Right	20.00	59			460.00
Busch, Frank J.	06-01-91	WMC	32.50	71	10,678.60	I	1,854.81
Pace, R. Wayne	06-01-91	Vested Right	12.00	60			315.24

ADJUSTMENTS - JUNE 1991

	RETRO TO	FROM	TO
Kelly, Bonita J. Increase in benefit to reflect use of actual termination pay.	07-01-90	1,065.84	1,091.14
Price, David A. Increase in benefit to reflect use of actual 1990-91 salary.	04-01-91	1,883.31	1,888.10
Rice Jr., George E. Change in Option due to the death of his original beneficiary.	06-01-91	1,729.90	1,505.19
Skinner, Halver M. Benefit reduced $100.00 per month due to over-payment of $18,307.43 on his account.	06-01-91	311.45	211.45

RETIREMENT APPLICATIONS - JULY 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Aaberg, Leslie M.	07-01-91	Gallatin	26.67	49	7,229.30	I	1,419.82
Addleman, Luella G.	07-01-91	Missoula	24.00	68	4,604.98	I	1,258.03
Anderson, Mary E.	07-01-91	Yellowstone	28.50	52	7,623.78	I	1,308.21
Baker, Donald E.	07-01-91	Yellowstone	25.00	52	6,214.65	I	1,240.92
Baker, Donna L.	07-01-91	Yellowstone	27.96	58	7,353.02	I	1,425.79
Barnhart, David M.	07-01-91	EMC	28.75	58	725.00	III	1,509.91
Beasley, Donna L.	07-01-91	Gallatin	29.46	60	5,809.05	I	1,046.82
Beery, Mary A.	07-01-91	Silver Bow	27.00	63	11,925.76	I	1,455.90
Bitney, Shirlee A.	07-01-91	Yellowstone	28.39	62			1,041.85
Bock, Theresa A.	07-01-91	Silver Bow	20.00	60	1,620.00	III	634.26
Boehlke, Margaret M.	07-01-91	Fallon	25.32	58	1,500.00	III	752.60
Bradley, Frances K.	07-01-91	Gallatin	24.67	51	7,046.65	I	1,098.54
Bristol, Patricia M.	07-01-91	Silver Bow	25.00	57	9,107.36	III	1,119.58
Broderick, William L.	07-01-91	Cascade	32.96	57	188.52	I	1,520.41
Brown, Terry F.	07-01-91	L & C	28.00	51	6,181.77	I	1,284.62
Buehler, Janice A.	07-01-91	MSU	5.00	53	1,097.00	II	158.50
Butler, Michael G.	07-01-91	Big Horn	25.00	51	1,750.00	III	1,038.51
Buzdikian, Zelpha A.	07-01-91	Gallatin	11.74	57			312.76
Campbell, Betty D.	07-01-91	Blaine	33.67	56	20,000.00	I	2,237.95
Colprio, Joseph M.	07-01-91	MSU	40.83	68	47,043.30	I	3,002.33
					2,616.00	I	Excess Earnings
Carter, Harvey E.	07-01-91	Granite	25.00	61	9,157.15	I	1,168.22
Caulfield, Terrance J.	07-01-91	Deer Lodge	40.00	67			1,633.15
Caussyn, Francis L.	07-01-91	L & C	24.97	57	8,138.13	III	1,264.03
Caussyn, Joan C.	07-01-91	L & C	28.59	52	4,766.41	I	1,412.33
Chandler, Mary K.	07-01-91	Gallatin	18.00	59	5,611.90	I	846.67
Chase, Sharon L.	07-01-91	Flathead	30.36	54	15,334.53	I	1,651.78
Clapham, Evelyn A.	07-01-91	Big Horn	13.00	61	4,974.75	I	468.15
Clark, Betty A.	07-01-91	L & C	18.65	62	5,859.56	I	834.77
Dahl Jr., Clarence E.	07-01-91	L & C	27.50	51	22,658.17	I	1,658.57
Daniels, Frances L.	07-01-91	Cascade	28.00	59	939.11	III	1,095.75
Darragh, Rita M.	04-01-90	Vested Right	18.96	60			355.38
Diekman, Elizabeth A.	07-01-91	Yellowstone	25.56	55	~~6,171.79~~	I	1,102.00
Diener, LaVonne J.	07-01-91	Missoula	25.00	63	4,239.75	I	1,005.64
Dillman, Willis G.	07-01-91	Roosevelt	19.00	62	906.78	II	879.47
Dorsch, Darrel D.	07-01-91	L & C	26.09	57	8,524.65	III	1,082.57
Dow, Harold J.	07-01-91	Sheridan	24.12	62	2,041.80	III	844.78
Dreikosen, Gary L.	07-01-91	Valley	25.00	48			971.62
Dunbar, Janice R.	07-01-91	Gallatin	31.78	64			1,525.99
Dunnwebber, Gladys M.	06-01-91	Vested Right	15.00	60			150.00
Dye, Gerald A.	07-01-91	Ravalli	28.91	57	7,500.00	III	894.33
Dysart, Clarene E.	07-01-91	Wheatland	36.89	62	3,600.00	III	1,827.42
Eng, Robert L.	07-01-91	MSU	40.00	64	15,000.00	I	2,642.05
Engel, Robert T.	07-01-91	Yellowstone	17.00	52			342.60
Erickson, Ronald E.	07-01-91	U of M	32.89	58	12,541.71	I	1,938.07
Felts, Sandra J.	07-01-91	Gallatin	20.00	61	6,772.98	I	926.57
Fishbaugh, George R.	07-01-91	Carbon	25.00	48	11,525.00	I	1,217.99

[redacted]rsman, Clarence L.	07-01-91	Deer Lodge	28.50	51			969.83
[redacted]rnett, Phillip B.	07-01-91	Yellowstone	25.00	47	10,516.05	I	1,959.03
[redacted]tes, Lois M.	07-01-91	Ravalli	40.00	63	10,000.00	III	1,420.36
Geach, Robert D.	07-01-91	Butte Vo-Tech	28.56	62	18,439.49	I	1,598.81
Gelardin, Helena V.	07-01-91	Lincoln	31.00	53	3,320.36	III	1,399.16
Gerard, George W.	07-01-91	Lincoln	26.60	53			1,566.32
Goesahead, Ruby	07-01-91	Big Horn	12.09	67	447.00	III	444.32
Goligoski, John J.	07-01-91	Ravalli	25.16	48	8,900.00	III	1,156.76
Graham, William A.	07-01-91	Silver Bow	32.91	58	13,249.28	I	1,360.44
Grasdock, Orville W.	07-01-91	Chouteau	28.00	55	1,687.50	I	1,012.21
Graves, M. Frances	07-01-91	Yellowstone	21.61	59	5,477.84	I	947.41
Guenzi, Richard E.	07-01-91	Dawson	25.08	64	5,058.09	I	1,025.80
Gustafson, Beverly A.	07-01-91	Deer Lodge	26.25	56			934.45
Gustafson, Ruth I.	07-01-91	Deer Lodge	37.00	64			1,588.23
Halvorsen, Nancy J.	07-01-91	Yellowstone	25.00	51	12,120.45	I	1,430.23
Harbaugh, Eileen T.	07-01-91	Yellowstone	36.33	60			1,338.63
Harryman, Shirley T.	07-01-91	Lincoln	20.28	56	19,749.26	I	872.50
Hawbaker, James R.	07-01-91	Flathead	29.96	51	5,164.63	III	1,275.93
Heller, Catherine H.	07-01-91	Ravalli	27.00	63	8,840.00	III	953.56
Hodgskiss, Ellen M.	07-01-91	Flathead	9.03	55			209.47
Hogan, William M.	07-01-91	Stillwater	26.91	50	7,000.00	III	1,182.13
Hurdle, Joan E.	07-01-91	Rosebud	12.39	60			765.74
Irish, Alden R.	07-01-91	Cascade	25.00	48			1,058.11
Ivie, Sharly M.	07-01-91	Granite	18.00	52			400.16
[redacted]cobi, Fred W.	07-01-91	Missoula	29.75	63	4,303.00	I	1,242.16
[redacted]cobs, Raymond L.	07-01-91	Lincoln	25.08	56	894.92	I	889.81
[redacted]ger, Dewayne W.	07-01-91	Roosevelt	30.00	56	3,400.60	I	1,146.97
Jensen, K. David	07-01-91	Blaine	25.39	48	13,527.00	I	1,042.46
Johnson, Clifford P.	07-01-91	Ravalli	24.00	58	26,116.94	I	2,156.48
Johnson, Edward A.	07-01-91	L & C	25.85	50	10,269.09	I	1,304.64
Johnson, Lance D.	07-01-91	Gallatin	27.11	51	7,626.13	I	1,317.25
Johnson, Michael A.	07-01-91	Missoula	27.00	52	11,554.40	I	1,387.72
Johnston, Alta V.	07-01-91	Yellowstone	21.00	60	5,049.56	I	941.04
Kaiser, Alex	07-01-91	Yellowstone	41.50	66	12,246.64	I	1,811.29
Kauffman, Joseph S.	07-01-91	Flathead	26.00	63			443.28
Keef, James L.	07-01-91	Park	26.24	54	11,482.65	I	1,912.91
Kelly, William D.	07-01-91	Dawson	38.00	61			1,907.80
Kildahl, Jeanne A.	07-01-91	Cascade	22.72	65	951.04	III	969.50
King, Dan C.	07-01-91	Silver Bow	30.13	54	13,240.92	I	1,458.65
Knudsen, George E.	07-01-91	Phillips	41.00	62			1,952.80
Kohler, John B.	07-01-91	Cascade	34.00	60	2,162.64	I	1,649.99
Lawston, Deanna A.	07-01-91	Missoula	14.00	52	2,586.95	I	203.18
Lehenbauer, Ramona L.	07-01-91	Yellowstone	27.35	53	9,259.78	I	1,939.67
Lehman, Rosemary	07-01-91	Yellowstone	22.00	62	4,898.29	III	909.07
Lesmeiser, Fay W.	07-01-91	Cascade	28.00	52			2,004.58
Lindberg, Edith J.	07-01-91	Yellowstone	27.00	60	11,580.72	I	1,308.98
Lodge, James O.	07-01-91	MSU	31.54	66	5,017.00	I	1,140.59
[redacted]s					1,986.00	I	Excess Earnings
[redacted]tgan, David M.	07-01-91	L & C	25.00	53	6,475.99	III	1,110.04
[redacted]os, Donna L.	07-01-91	Yellowstone	25.22	60	7,968.00	I	1,008.42
[redacted]ndgren, Charles K.	07-01-91	Yellowstone	42.99	64	30,903.35	I	3,132.83
MacDonald, Robert K.	07-01-91	Beaverhead	40.78	67			1,774.93

[redacted]gee, Frank R.	07-01-91	Jefferson	35.00	58			1,922.63
[redacted]gee, Kathleen E.	07-01-91	Jefferson	30.01	55	3,000.00	I	1,208.68
[redacted]ttingly, Melvin E.	07-01-91	Cascade	33.00	56	2,875.80	I	1,660.86
McAllister, Byron L.	07-01-91	MSU	31.00	62	9,714.36	I	1,635.32
McCandless, Frank P.	07-01-91	MSU	29.50	59	17,660.63	I	2,593.71
McCarthy, Ione E.	07-01-91	Silver Bow	19.44	65	9,818.99	I	837.80
McCracken, Joan M.	07-01-91	Missoula	39.00	62	4,632.58	I	2,121.18
McCurdy, Edward W.	07-01-91	State Dept	28.75	61	10,152.00	I	1,595.59
McDermott, Frances F.	07-01-91	Yellowstone	24.00	52	12,866.62	I	1,256.99
McDermott, Vern A.	07-01-91	Yellowstone	33.50	57	14,500.86	I	1,838.58
Miller, Gloria A.	07-01-91	Fergus	25.28	49	11,412.60	I	962.14
Miller, Helen K.	07-01-91	Yellowstone	14.11	66	3,700.81	I	498.71
Miller, Mary K.	07-01-91	L & C	32.84	58	826.31	I	1,249.96
Miller, Thomas W.	07-01-91	L & C	37.83	59	12,551.16	I	2,217.21
Miller, William D.	07-01-91	Cascade	27.00	49			1,197.15
Mize, Everett R.	07-01-91	Madison	30.00	62			1,254.37
Moran, Jerry B.	07-01-91	Yellowstone	21.32	59			734.83
Morrison, Robert W.	07-01-91	MSU	34.94	58	9,747.89	I	2,088.00
					4,029.00	I	Excess Earnings
Morrissey, Donald T.	07-01-91	Missoula	35.25	61			1,513.51
Myhre, Phyllis R.	07-01-91	Glacier	37.00	62	2,500.00	I	1,967.05
Myllymaki, Dolores K.	07-01-91	Ravalli	35.43	62	1,000.00	III	1,370.16
Nagel, Marilyn V.	07-01-91	Hill	30.00	56	7,072.20	I	1,507.16
[redacted]lson, Kent D.	07-01-91	L & C	25.00	51	8,365.16	I	1,376.02
[redacted]lson, Marylin J.	07-01-91	Flathead	25.00	50	28,154.83	III	1,343.65
[redacted]sset, Donna L.	07-01-91	Dawson	36.00	65	11,217.75	III	1,505.68
O'Dea, Paul J.	07-01-91	Custer	21.00	62	unkn.own	I	776.73
Olson, Francis A.	07-01-91	Silver Bow	34.75	68	2,365.18	II	1,646.34
Olson, Leo L.	07-01-91	Yellowstone	31.00	56	14,947.64	I	1,722.73
Olson, Nels A.	07-01-91	Yellowstone	33.83	59	11,844.60	III	1,591.24
Paddock, MaeBelle	07-01-91	Cascade	39.31	62	1,131.84	I	1,566.81
Palagi, Lawrence J.	07-01-91	Silver Bow	31.00	55	13,306.26	I	1,501.72
Paschke, Dan L.	07-01-91	Flathead	28.00	51	33,619.99	III	1,491.04
Pearce, Gladys C.	07-01-91	L & C	37.44	61	8,617.98	I	1,725.67
Perkovich, Katherine E.	07-01-91	Flathead	30.00	52	13,765.68	III	1,492.28
Peterson, Adolph V.	07-01-91	Park	28.56	54			999.15
Porter, Barbara J.	07-01-91	Missoula	27.00	61	4,747.88	I	1,209.78
Potts, Claudia R.	07-01-91	Flathead	25.00	53	7,729.11	III	1,401.33
Powell, Jeanne H.	07-01-91	Cascade	26.63	48	3,274.60	I	1,284.91
Proctor, Robert E.	07-01-91	Missoula	33.42	57	12,344.40	I	1,813.45
Pulliam, John D.	07-01-91	U of M	7.00	60	10,811.00	III	532.55
Reed, Gloria D.	07-01-91	Custer	7.00	64	375.00	III	151.83
Reichenberg, Adrian E.	07-01-91	Powell	28.04	53	3,500.00	I	1,105.84
Robertson, Esther E.	07-01-91	Blaine	20.33	64	2,422.60	II	435.40
Robinson, Loy D.	07-01-91	Flathead	35.75	59	17,594.75	III	1,880.19
Robinson, Margie J.	07-01-91	Flathead	29.33	51	5,575.87	III	1,374.61
Rogers, Dorothy J.	07-01-91	Yellowstone	25.67	57	9,365.49	I	976.58
[redacted]sengren, Shirley A.	07-01-91	MSU	30.00	52	25,287.15	I	2,353.67
[redacted]th, Marilyn L.	07-01-91	Park	34.22	59	12,117.00	II	1,531.27
[redacted]an, John J.	07-01-91	Broadwater	30.00	60	5,000.00	I	1,652.45
[redacted]lyer, Richard R.	07-01-91	Big Horn	26.38	50			1,019.23
Sandvig, Helen E.	07-01-91	Cascade	28.49	61	2,907.84	I	1,383.03

[redacted]uvageau, David L.	07-01-91	Gallatin	34.08	58	885.00	II	1,335.25
[redacted]vage, Elaine M.	07-01-91	Garfield	12.00	65			278.36
[redacted]alf, James M.	07-01-91	Flathead	31.00	53	14,577.78	III	1,730.66
Scheibel, Rosemary P.	07-01-91	Custer	30.51	55			1,258.37
Schneider, Gloria F.	07-01-91	L & C	34.00	56	7,668.31	I	1,537.40
Schulz, Larry A.	07-01-91	Flathead	30.00	55	26,414.00	III	1,988.72
Sheriff, Richard R.	07-01-91	Missoula	31.00	56	11,731.50	I	1,552.85
Shupe, Leonard D.	07-01-91	Pondera	29.00	58	14,693.33	I	2,607.53
Smith, Charline G.	07-01-91	Missoula	21.00	66	10,020.03	I	1,129.66
Snyder, Alberta R.	07-01-91	Ravalli	29.96	55			1,098.00
Sorenson, Barbara J.	07-01-91	Gallatin	25.00	53	3,750.00	III	1,311.54
Spragg, Edward W.	07-01-91	Cascade	31.00	55			1,284.45
Stafford, Betty E.	07-01-91	Phillips	8.89	62			181.46
Stalnaker, Charles B.	07-01-91	State Dept	22.00	52	7,759.59	I	994.50
Stergar, John J.	07-01-91	Deer Lodge	34.75	59	4,271.33	II	1,583.45
Stermitz, James E.	07-01-91	Vested Right	11.67	51			204.60
Stevens, Hellen L.	07-01-91	Lake	22.00	64	25,876.20	II	829.36
Stevenson, Edward O.	07-01-91	Pondera	26.00	50	5,000.00	III	1,110.86
Stish, Henry W.	07-01-91	WMC	45.33	67	11,409.12	I	2,724.72
Stoltz, Robert J.	07-01-91	Dawson	25.00	49	11,218.50	III	869.65
Straw, Wilbur O.	07-01-91	Yellowstone	34.00	57	13,604.22	I	1,683.46
Stubbs, Norman E.	07-01-91	Beaverhead	18.37	60			797.04
Surwill, Benedict J.	07-01-91	EMC	30.42	66	24,969.47	I	2,149.16
Sutton, Jack L.	07-01-91	Richland	30.00	62	3,330.00	I	1,363.12
[redacted]ydam, Nancy M.	07-01-91	Silver Bow	27.00	47	11,208.24	I	1,211.02
[redacted]berna, Louis J.	07-01-91	Missoula	22.00	62	12,513.60	I	1,056.11
[redacted]tge, Sandra S.	07-01-91	Silver Bow	25.36	49	10,851.37	I	1,133.03
Thiel, Jack L.	07-01-91	Jefferson	29.92	56	2,510.00	II	1,157.87
Tuggle, Janet J.	07-01-91	Fallon	24.00	54			929.37
Turner, James E.	07-01-91	L & C	30.00	55			2,103.51
Tustin, Amanda A.	07-01-91	Flathead	26.18	62	9,000.00	III	999.78
Ulrich, Carrol A.	07-01-91	Yellowstone	33.00	56			1,255.48
Unterseher, Geraldine A.	07-01-91	Liberty	17.51	60	4,159.80	I	700.70
Urbaniak, Elias	07-01-91	Rosebud	30.47	66	12,580.50	III	1,055.83
Vanderpan, Gordon S.	07-01-91	Fallon	37.84	62			2,339.28
Vogel, Randy R.	07-01-91	Broadwater	25.00	49	10,200.00	I	1,221.07
Wallin, Eleanor M.	07-01-91	Powell	25.70	63	3,500.00	I	930.57
Walton, Jean R.	07-01-91	Yellowstone	26.78	60	6,662.48	I	930.77
Wang, John B.	07-01-91	U of M	28.00	63	8,418.61	III	1,239.95
Warwick, Deanna L.	07-01-91	Madison	14.80	52			244.99
Weathered, Barbara A.	07-01-91	Glacier	30.70	65	2,528.75	II	1,278.14
Wick, Dale M.	07-01-91	Flathead	29.00	53	7,000.00	III	1,314.42
Will, Kathryn B.	07-01-91	Yellowstone	32.00	55	14,619.34	I	1,867.61
Will, Marvin D.	07-01-91	Yellowstone	33.83	58	12,767.60	I	1,553.16
William, Mary J.	07-01-91	Silver Bow	27.00	63	4,365.63	I	1,129.77
Willis, Gareld E.	07-01-91	Carbon	25.00	57	8,731.13	I	1,452.06
Woolley, Mildred C.	07-01-91	Sweetgrass	40.00	60	7,908.74	I	1,837.25

[redacted]RVIVOR APPLICATIONS - JULY 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Gray, Scott J. Survivor of Lee J. Gray	06-01-91	Cascade	15.50	21 56			547.13

RETIREMENT APPLICATIONS - AUGUST 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Doornbos, Janice M.	07-01-91	Gallatin	27.00	54	12,068.56	I	1,157.31
Eggum, Lyle A.	07-01-91	L & C	34.00	56			1,615.65
Eliason, Margery D.	07-01-91	Yellowstone	19.67	61	4,487.02	I	950.03
Harding, Judy H.	07-01-91	L & C	28.56	50			2,431.91
[redacted]uston, Paul S.	07-01-90	Vested Right	27.00	50	6,662.80	I	1,323.86
[redacted]utson, L. Michael	07-01-91	Deer Lodge	28.00	50			1,044.21
[redacted]ngner, Vera A.	07-01-91	Yellowstone	31.57	62	6,113.94	I	1,452.15
[redacted]arson, Marcia Ann	07-01-91	Cascade	35.34	61			1,311.56
LeCaptain, Nancy A.	07-01-91	Yellowstone	20.89	62	9,592.31	I	969.84
Malesich, Karin M.	07-01-91	Beaverhead	26.00	50	21,727.91	I	1,533.57
Phillips, Theodore J.	07-01-91	Yellowstone	27.12	60			1,500.67
Probst, Glen W.	08-01-91	Vested Right	5.78	55			100.55
Schoenthal, Norm	07-01-91	EMC	32.11	63	10,028.71	II	1,494.49
Schultz, Shirley M.	07-01-91	Yellowstone	23.39	62	6,524.87	I	982.54
Siebert, Sue H.	07-01-91	Missoula	17.60	60	9,731.41	I	968.25
Thompson, Keith A.	07-01-91	Yellowstone	26.00	51	1,899.06	I	1,073.54
Valdez, Valdamar	08-01-91	NMC	23.11	62	1,451.29	I	1,043.92
					3,071.00	II	E x c e s s
Earnings							
Weishaar, Gertrude	07-01-91	Teton	46.00	66			1,625.40
Williams, Anne S.	08-01-91	MSU	23.33	51	18,620.18	I	2,200.04

SURVIVOR APPLICATIONS - AUGUST 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Kettlewell, Brant Survivor of Neil M. Kettlewell	02-01-91	U of M	22.20	21 53			801.71

ADJUSTMENTS - AUGUST 1991

	RETRO TO	FROM	TO
Buehler, Janice A. Increase in benefit to reflect salary exemption from 10% cap rule.	07-01-91	158.50	162.52
Ferguson, A. Hayden Increase in benefit to reflect use of actual termination pay amount & excess earnings under Option II.	01-01-91	2,310.93	2,372.04
Proctor, Robert E. Increase in benefit to reflect use of actual termination pay amount.	07-01-91	1,813.45	1,821.85

TEACHERS' RETIREMENT BOARD MEETING

November 15, 1991

Chairman Cowan called the meeting to order at 9:00 a.m. in the office of the Teachers' Retirement System, those present were:

Jim Cowan, Chairman
W. Craig Brewington
John Kranick, Retired Teacher
Beda Lovitt, (for Nancy Keenan)
Nancy Trackwell
E. Joseph Cross
David L. Senn, Executive Secretary
Brenda Nordlund, Legal Counsel, TRS

Others present were:

Phil Campbell, MEA
Bruce W. Moerer, MSBA
Jack Johnson, MEA, retired member
Jody May, Montana State University

Approval of Minutes for September 6, 1991. Craig Brewington moved to approve the minutes as presented. John Kranick seconded the motion, which carried.

Executive Secretary's Report.

Employer-Paid Benefits. The Executive Secretary informed the Board he had recently learned of school districts who are offering contracts to individuals giving them the option to add employer-paid insurance to their salary for the purpose of enhancing retirement benefits. He explained that this option is not offered to everyone, but only to selected individuals, and is costly to the system. Letters have been sent to Jim Turner, Executive Director for the Montana School Administrators Association and Bob Anderson, Montana School Board Association expressing his concern and requesting direction and assistance with this issue.

Transfer of Service between PERS and TRS. Dave Senn explained that the transfer of service between TRS and PERS would be better served by each system by not transferring the employer portion of the transfer until the employee has repaid the his/her portion of the contributions due.

The Legislative Interim Committee on Retirement Systems. Dave attended the organizational meeting of this committee and briefly reported on the direction the committee would like to take.

The Revenue Oversight Committee. One of the issues they will be concentrating on is Senate Bill 226. John Kranick attended the committee meeting of October 4, 1991.

Pre-Retirement Planning. The Executive Secretary gave a brief report of his meeting with VALIC and MEA regarding what they would like to see happen with pre-retirement planning. Dave proposed that the committee continue to pursue a work plan to implement pre-retirement planning seminars.

Retired Payroll Microfiche Project. Dave Senn reported that the Records Management Bureau sent in a revised bid which was considerably lower than the first. The new estimated cost is $12,736.00. He pointed out the advantages of having the files filmed in town, and proposed to not go through with the bid process. The Board directed Dave to continue with the project having the Records Management Bureau film all records.

John Kranick moved to accept the Executive Secretary's report, Joseph Cross seconded the motion, which carried.

Legal Counsel Report. Brenda Nordlund gave a brief overview of the three cases she is currently working on, explaining she has been working for the DOA for only nine days. The Sheehy v. Teachers' Retirement System is scheduled for a scheduling conference on January 3, 1992. She briefly explained the suit for benefit of the new board members. Arneson v. TRS is to be fully submitted by the February 14 board meeting, and of the two actions regarding TRS v. Moore one is resolved, the other is in early stages of litigation.

Financial Statements, Budget and Investment Report.

Data Processing Maintenance/Enhancements. Rod Sheppard presented this report, explaining that since July 36 enhancements have been made for system failures. These enhancements are usually a "quick fix" consequently not getting to the chief cause of the problem. The approximate cost to get the current system up to speed is $80,000.00 and this still will not solve the productions inabilities of the system.

The cost for a new system would be approximately $280,000.00, $100,000.00 for hardware and $180,000.00 for soft-ware development which would result in a completely in-house system. One of the benefits of the in-house system is to relieve the need for dependency on the main-frame computer, which has an annual cost to us of $60,000.00 for production in addition to the enhancement cost. Rod requested that we proceed with the Request for Proposal (RFP) process. Following a brief discussion regarding a lease-purchase plan, Jim Cowan asked Dave his opinion on leaving the state system. Dave stated that he could see no disadvantage to leaving the state system. John Kranick moved to proceed with the RFP. Craig Brewington seconded the motion, which carried.

Investment Performance. Jim Penner and Dave Lewis from the Board of Investments gave a presentation regarding investment performance.

Old business. The Executive Secretary briefed the board regarding a letter to be sent to all retirees informing them about Senate Bill 226 and the affects. The Retired Teachers Association and the MEA-R requested that inserts advising retirees of their associations, what they do, and that membership is available be included with this mailing. He informed the board that the associations would be responsible for the cost of printing the inserts and any additional costs. Craig Brewington moved to authorize the inserts. Joseph Cross seconded the motion, which carried.

Administrative Rules Hearing. The Executive Secretary advised the board that a hearing was conducted on October 21, 1991 on the Teachers' Retirement Board rules published in the Montana Register #18, dated September 26, 1991. Tom Bilodeau represented MEA and Bruce Moerer represented Montana School Boards Association were present.

Two comments were received in regards to the rules. Mr. Bilodeau objected to new rule 2, limiting the amount of salary that may be purchased for a temporary absence to 1/9 of the members regular annual contract. Mr. Jody May, Director of Payroll Services, Montana State University submitted written comments objecting to amendments to rule 2.44.510 standardizing the period for measuring post-retirement earnings as the fiscal year July through June.

Mr. Phil Campbell, MEA, suggested to the board that the cost of purchasing salary lost due to a temporary absence would be the limiting factor in that a member could not purchase more salary than was lost, and that the member was required to pay the full actuarial cost. He requested the board not adopt rule 2 pending further investigation. Jody May was also present, and suggested that the rule 2.44.510 not be amended as proposed, that he would work with the Executive Secretary to find an alternative to the reporting of post-retirement earnings. Craig Brewington moved to adopt the new rules and amendments as noticed, and to defer adoption of rule 2 and amendments to rule 2.44.510. Nancy Trackwell seconded the motion, which carried.

Notice of Proposed Rules for Benefit Adjustment. The Executive Secretary presented to the board proposed administrative rules to implement the provisions of Senate Bill 226. The rules provide for calculating the adjustment rate to be paid and the process for certifying eligibility for the annual retirement benefit adjustment. Rules are to be noticed without public hearing. Craig Brewington moved to approve the notice without public hearing as presented by the Executive Secretary. Nancy Trackwell seconded the motion, which carried.

VALIC/TRS Deferred Annuity Brochure. The Executive Secretary advised the board that legal counsel had reviewed the brochure and cover letter presented to the board on September 6, 1991. Counsel found no problem with the brochure and recommended that the last three paragraphs of the original cover letter be deleted. Craig Brewington moved to approve printing of the brochure and cover letter with the changes suggested by counsel, with all costs to be borne by VALIC. Joseph Cross seconded the motion, which carried. John Kranick abstained.

Other Old Business. Jody May, Director of Payroll Service at Montana State University, spoke to the Board about how salary is reported because of the change to the semester system and what impact that may have on the calculation of average final compensation. He requested a temporary deferment of any changes in the calculation of average final compensation. The board directed that action be temporarily deferred and that any necessary changes will be made retroactively following the February 14, 1992 board meeting.

New Business. Purchase of additional service.

- **Mary Ann Chestnut** - The board reviewed the request made by Ms. Chestnut to allow purchase of service as a swimming instructor with the Havre Public Pool. It was pointed out that swimming instructors employed by municipal pools do not qualify for membership and that if she is allowed to purchase this time, it would be necessary to require that all swimming instructors employed by municipal pools be reported and allowed to purchase service time. John Kranick moved to deny the purchase of service. Nancy Trackwell seconded the motion, which carried.

- **Glen Hall** - The board reviewed Mr. Hall's request to waive the balance due to purchase .72 year of service due to the fact that several errors were made in reporting his additional contributions and the balance due on his buy back was quoted incorrectly on several occasions. Craig Brewington moved to waive the interest due, requiring that only the principal be paid. Joseph Cross seconded the motion, which carried.

- **Elaine Heen** - After discussion regarding Mrs. Heen's transfer from PERS to TRS in which Dave explained the error made in overstating Mrs. Heen's service credit and the hardship it would cause if her service were reduced the board moved to allow Mrs. Heen's account to stand as credited. Craig Brewington made the motion, which John Kranick seconded. The motion carried.

NCTR Conference Report. Craig Brewington and Dave Senn commented briefly on what they learned at this conference and recommended that any board member who has a chance should attend future conferences. Jim Cowan agreed and also encouraged board members to attend any future conferences.

Approval of Applications and Adjustments. After some discussion, Jim Cowan recommended writing another letter to the retirees who have not answered the third request for beneficiary information and this time address the letter to the beneficiary directly and to send the letter by registered mail. He also suggested that by enclosing a self-addressed, stamped envelope the response may be better.

Regular, Survivorship and Adjustments. The Board reviewed the regular retirement benefits, survivor benefits and adjustments. Joseph Cross made a motion to approve the regular retirement

benefits, survivor benefits and adjustment. John Kranick seconded the motion, which carried.

Disabilities. Mary Harrington presented the disability report.

- **Patricia Billingsley** - Mary Harrington gave a brief report on the physician reports she has received regarding Chronic Fatigue Syndrome (CFS). It is the opinion of the one of physicians, Dr. Eden, responding to the inquiry that CFS is a disease that is treatable although the underlying cause of the CFS must be diagnosed. He stated that the usual cause is low thyroid, depression, mononucleosis, anemia, or a viral infection. It was the opinion of Dr. Eden that Ms. Billingsley should not be granted a disability benefit. Craig Brewington also presented information he gathered on CFS, which was similar to that received from Dr. Eden. Craig Brewington made a motion to deny a disability benefit to Ms. Billingsley. Nancy Trackwell seconded the motion, which carried.

Election of Officers. Jim Cowan opened the floor to nominations for the Teachers' Retirement Board officers. Craig Brewington nominated Jim Cowan to remain as Chairman, and John Kranick as Vice-Chairman. Nancy Trackwell moved to cease nominations which was seconded by Joseph Cross. The motion carried.

Next Board Meeting. The next board meeting was set for February 14, 1992.

The meeting was adjourned.

Chairman

Executive Secretary

EXECUTIVE SECRETARY'S REPORT
BOARD MEETING NOVEMBER 15, 1991

EMPLOYER PAID BENEFITS ADDED TO EMPLOYEES' SALARIES:

It has come to my attention that school boards are considering contracts under which employees would have the option to receive certain employer-paid benefits, for example health insurance premiums, in cash. I have advised Bob Anderson, Executive Director of the Montana School Boards Association, and Jim Turner, Executive Director of the Montana School Administrators Association, that such benefits paid in cash, at the option of individual employees, are not includable in earned compensation under the definition of the Teachers' Retirement Act.

If employees are given the option to receive employer-paid benefits in cash, and reported to the Teachers' Retirement System as earned compensation it would only make sense that employees would elect this option during their final years of employment to enhance average final compensation and increase retirement benefits. If members are allowed to inflate their salaries in the final years, an increase in the employer contribution would be required.

TRANSFER OF SERVICE BETWEEN PERS AND TRS:

A recent internal review of accounts transferred between PERS and TRS found that many individuals who have withdrawn their PERS account and are required to redeposit large sums with the Teachers' Retirement System do not elect to redeposit their PERS service. However, the past practice has been to accept the employer contributions from the Public Employees' Retirement System at the time the request for information is made. This is true also for transfers made from TRS to PERS. Therefore, we have received several transfers of employer contributions from PERS where the member has not elected to redeposit the service. I have written Mr. Nachtsheim of the Public Employees' Retirement System and we have agreed that on all future transfers between the Teachers' and Public Employees' Retirement Systems for accounts that have been withdrawn, employer contributions will not be transferred. At the time the member redeposits their previous service in either TRS or PERS, a request for employer contributions plus accrued interest will be made. On all past accounts, where employer contributions have been transferred, if at the time of retirement the individual still has not redeposited their previous service, a refund will be made to the respective retirement plan.

EXECUTIVE SECRETARY'S REPORT
BOARD MEETING NOVEMBER 15, 1991

LEGISLATIVE INTERIM COMMITTEE ON RETIREMENT SYSTEMS:

The subcommittee studying Montana Retirement Systems met on November 6, 1991. The purpose of this meeting was to gather information on the benefits and actuarial soundness of each retirement plan. Presentations were made by Alton Hendrickson, Consulting Actuary, Larry Nachtsheim, Administrator, Public Employees' Retirement System, David Evenson, University System Optional Retirement Plan, and myself.

Each presenter advised the committee of issues of concern to their respective retirement plans. The committee moved to consider four areas for further study. 1. consolidation of hazardous duty and law enforcement systems, 2. legislative decision-making process, education for legislators and fiscal notes, 3. post-retirement cost-of-living adjustments, 4. funding and what upsets the actuarial soundness of the retirement plans.

The committee also scheduled a public hearing for Friday, January 10, 1992 followed by committee meetings on January 11th, February 3rd, and March 27th.

RETIREMENT LISTING

[redacted]TIREMENT APPLICATIONS - SEPTEMBER 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Brock, Robert R.	09-01-91	U of M	30.17	64	8,877.01	I	1,343.33
Denson, Reba J.	07-01-91	Powder River	34.89	59			1,345.77
Franks, Bonnie J.	07-01-91	Missoula	25.00	50	8,905.35	III	1,179.05
					1,001.00	II	Excess
Earnings							
Lamberson, Robert L.	07-01-91	Yellowstone	31.00	55	8,722.82	III	1,521.63
Lumsden, Dorothy M.	07-01-91	Phillips	21.00	69			525.88
Neeley, James L.	06-01-91	V. R.	5.00	60	7,673.76	II	313.26
Nistler, Ronald L.	09-01-91	Yellowstone	36.22	58	25,000.00	I	2,768.14
Olson, Janet L.	09-01-91	V. R.	21.67	60			273.54
Owings, Richard E.	09-01-91	Flathead	29.03	51			1,345.53
Reynolds, Lloyd L.	07-01-91	Cascade	30.00	56			1,165.50
Ronning, Ronald K.	07-01-91	Cascade	26.00	48	3,600.00	III	1,213.47
Russell, Roland L.	08-01-91	Yellowstone	26.11	53	9,249.45	III	1,425.29
Saunders, Anita L.	07-01-91	Gallatin	15.92	51			132.31
Weisenborn, Ray E.	09-01-91	MSU	25.22	50	17,527.99	I	1,367.34
[redacted]end, David V. V.	07-01-91	MSU	32.88	68	4,571.14	III	1,471.20
[redacted]rtala, Oscar H.	07-01-91	Yellowstone	36.78	62	29,277.20	I	2,763.66
[redacted]egler, James D.	09-01-91	EMC	32.45	63	7,413.76	I	1,426.85

ADJUSTMENTS - SEPTEMBER 1991

	RETRO TO	FROM	TO
Aaberg, Leslie M. Increase in benefit to reflect use of actual 1990-91 salary.	07-01-91	1,419.82	1,483.18
Dunbar, Janice R. Increase in benefit to reflect retroactive wages & additional earnings.	07-01-91	1,525.99	1,561.56
[redacted]rding, Judy H. Increase in benefit to reflect use of actual termination pay under	07-01-91	2,431.91	2,433.17

Option II.
GE 2.

son, Nels A. Increase in benefit to reflect use of actual 1990-91 salary.	07-01-91	1,591.24	1,593.41
Palagi, Lawrence J. Decrease in benefit to reflect use of actual termination pay amount.	07-01-91	1,501.72	1,051.11
Phillips, Theodore J. Decrease in benefit to reflect use of actual 1990-91 salary.	07-01-91	1,500.67	1,479.64
Schneider, Gloria F. Decrease in benefit to reflect use of actual salaries reported.	07-01-91	1,537.40	1,534.73
Valdez, Valdamar E. Increase in benefit to reflect use of excess earnings under Option I.	08-01-91	1,043.92	1,072.51

RETIREMENT APPLICATIONS - OCTOBER 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Cramer, Gail L.	10-01-91	V. R.	21.00	50	15,913.20	I	992.28
Eisenzimer, Josephine A.	07-01-89	V. R.	25.17	48	1,517.79	I	1,198.34
Frazier, Joseph E.	10-01-91	MSU	30.25	61	22,876.56	I	1,961.91
Hermes, MaryLou R.	07-01-86	V. R.	17.00	51			359.38
Hickethier, Larry W.	09-01-91	Western	30.21	52	16,978.08	I	1,847.48
Koskela, Shirley Y.	07-01-91	Lincoln	12.48	53	177.56	III	122.22
Longin, James A.	10-01-91	V. R.	22.00	50			1,050.58
McRae, Robert J.	09-01-91	EMC	34.38	60	13,685.62	I	2,370.89
Miller, Phyllis E.	10-01-91	Yellowstone	31.72	53	10,141.54	I	1,547.95
ilvey, Lawrence R.	07-01-91	V. R.	12.93	56	1,558.86	II	231.06
etz Jr, William J.	08-01-91	MSU	14.11	64	29,422.54	I	2,021.77
					1,020.00	I	Excess Earnings

JUSTMENTS - OCTOBER 1991

	RETRO TO	FROM	TO
Kildahl, Jeanne A. Decrease in benefit to reflect use of actual salary for the 1990-91 school year.	07-01-91	969.50	968.46
Lodge, James O. Decrease in benefit to reflect use of actual termination pay amount.	07-01-91	1,140.59	1,140.38
Noyes, Robert N. Change in option due to death of original beneficiary.	10-01-91	1,018.96	910.64
Stish, Henry W. Decrease in benefit to reflect use of actual 1990-91 salary.	07-01-91	2,724.72	2,711.02
Williams, Anne S. Increase in benefit to reflect actual salaries, termination pay, & creditable service adjustments.	08-01-91	2,200.04	2,205.79
Williams, Mary Joyce Increase in benefit to reflect the actual salary for the 1990-91 school year.	07-01-91	1,129.77	1,133.58

TEACHERS' RETIREMENT BOARD MEETING

February 14, 1992

Chairman Cowan called the meeting to order at 9:00 a.m. in the conference room of the State Library, those present were:

Jim Cowan, Chairman
W. Craig Brewington
Beda Lovitt, (for Nancy Keenan)
Nancy Trackwell
E. Joseph Cross
David L. Senn, Executive Secretary
Brenda Nordlund, Legal Counsel, TRS

John Kranick was absent.

Others present were:

Jody May, Montana State University
John Robbins, Montana State University
David Evenson, CHE
Tom Bilodeau, Montana Education Association
Jim Handley, Montana Tech
J. Dennis Moreen, Attorney
Tom Bleakney, Milliman & Robertson

Approval of Minutes for November 15, 1991. Craig Brewington moved to approve the minutes as amended, indicating that John Kranick abstained from voting on the VALIC brochure/cover letter. E. Joseph Cross seconded the motion, which carried.

Actuarial Report The Executive Secretary introduced Tom Bleakney, from Milliman & Robertson, the Teachers' Retirement System consulting actuary, who gave a report to the Board.

Financial Statements, Budget Report & Investment Report. The Executive Secretary briefly summarized investment earnings, financial statements and the budget report. He also informed the Board that mortgages have been consolidated, and that TRS now owns units in a pool and mortgage reports will only be received every six months.

Executive Secretary's Report.

Special Session. The Executive Secretary gave a brief report on the special legislative session, which was mostly uneventful for the Teachers' Retirement System. The one change, Senate Bill 1, was an amendment to the effective and applicability dates of Senate Bill 226 adopted during the 1991 regular session.

NCTR Legislative Committee Meeting. The Executive Secretary attended the committee meeting in Washington D.C. February 1-3. He gave the Board a brief report on the meeting.

Tax-Sheltered Annuity Brochures and Cover Letters. The Executive Secretary informed the Board that VALIC distributed the brochures, but unfortunately did not include instructions with the distribution. He explained that some districts distributed the packets under the assumption that TRS had sent them; others did not distribute the brochures as they have policies against solicitation. The TRS sent a memo to each school district explaining the literature and apologizing for any inconvenience that may have been caused.

Post-Retirement Adjustment. The Board was informed that benefits were increased again this year using excess investment earnings. The average increase was 1.55%, or $10.04 per month.

Joint Interim Sub-Committee on Public Employee Retirement Systems. The Executive Secretary informed the Board that the joint committee held a public hearing on February 5th and received many comments from the public in regards to cost-of-living, health insurance benefits, and on consolidation of retirement systems. On the 6th, the committee focused in on two areas: cost-of living and a pension oversight committee.

Deadwood Project. The Department of Administration has implemented a program to eliminate procedures which may be outdated and asked the TRS to participate in this project. The Board had no objections to the project and gave their approval to participate.

Proposed Legislation. Mr. Senn proposed that the board eliminate Options D and E of the retirement options. He explained the problems that TRS has encountered in the past with overpayments and that members don't really understand the options. The change proposed included a "pop-up" provision, so that should the beneficiary die first, the amount the member was entitled to received following the death of the beneficiary would increase to the original "Normal Form" amount. He explained that the optional benefits would be further reduced by a small amount to fund this option.

He also proposed legislation to allow for the distribution of retirement benefits in the case of a divorce. Currently, there are no provisions to pay benefits to an alternate payee even if ordered by the courts to do so.

Legal Counsel Report. Brenda Nordlund, TRS legal counsel, updated the Board on current cases. She informed the Board that the Arneson vs TRS case was scheduled for oral arguments in District Court on February 21st. The next case she presented was Sheehy vs TRS, PERD, and the Department of Revenue which involves Senate Bill

226. She explained that our brief was due the day of the board meeting and did not anticipate that a decision would be made by April 15th. On the case the Teachers' Retirement System brought against First Bank System, Missoula, she presented the offer First Bank System had made which was to settle for $4,000.00 on the overpayment of John E. Moore's retirement account. Craig Brewington moved to accept the offer. E. Joseph Cross seconded the motion, which carried. The Board then went into Executive Session to discuss the appeal of Edward Thomas' disability application as the privacy of the individual outweighed the public's right to know. After a lengthy discussion, the board recessed for lunch.

The Board resumed their meeting about 1:30 p.m. again discussing Mr. Edward Thomas' disability application. Craig Brewington made a motion to discontinue the administrative proceedings; Nancy Trackwell seconded the motion, which carried.

Old Business.

Mid-Year Retirement Under Semester Conversion. Mr. John Robbins was in attendance to present his proposal of a 36 month count-back method for pending retirees who had been counseled on retirement prior to the change to the semester system. David Evenson from the Commissioner's Office of Higher Education was present and assured the Board that should they "grandfather" all January 1, 1992 retirees any future retirees would be counseled under the new administrative rule. E. Joseph Cross made a motion to "grandfather" all January 1, 1992 retirees under the 36 month count-back, Nancy Trackwell seconded the motion, which carried.

New Business.

Summer Earnings. James Handley, from Montana Tech in Butte, was in attendance to present to the board options for use of summer earnings reported to the Teachers' Retirement System. After a brief discussion, the Board assured Mr. Handley they would consider his options.

The Board again went into Executive Session to further discuss Mr. Thomas' disability application. At about 3:30 p.m. the meeting was again opened to the public and Craig Brewington made a motion to rescind the previous action to deny the disability application and require Mr. Thomas to re-apply for disability benefits. Nancy Trackwell seconded the motion. E. Joseph Cross amended the motion to read "reconsider" rather than "re-apply", and Nancy Trackwell seconded the motion, as amended, which carried.

Transfer of Sheriffs' Retirement. Patrick Stuber petitioned the board to allow for transfer of his service under the Sheriffs' Retirement System to the Teachers' Retirement System. The Executive Secretary recommended the Board allow Mr. Stuber to transfer this service provided the TRS and the Public Employees' Retirement Board can do so without further legislation. Nancy Trackwell made a motion to allow the transfer, which E. Joseph

Cross seconded. The motion carried.

Interest Credited to Active Member Accounts. The Executive Secretary gave a report on the history of TRS interest rates and the current short term market rates. He recommended that the board lower the interest rate credited to member accounts from 7% to 6 1/2% or 6%. Craig Brewington made a motion to lower the interest rate to 6%. Nancy Trackwell seconded the motion, which carried.

Disability Form Changes. The Executive Secretary presented some changes in the current disability forms, requesting guidance as to the questions and information requested. After a brief discussion, the Board directed Dave to consult with other firms, including Workers' Compensation and private insurance companies, to find out what information they require for disability applications.

Delegate to 1992 National Public Pension Attorney's Conference. The Executive Secretary recommended that the Board send Brenda Nordlund, TRS counsel, to the National Association of Public Pension Attorney's Conference. Craig Brewington made a motion to approve the trip, which Nancy Trackwell seconded. The motion carried.

Other New Business. Mr. Jack Herron requested that the Board allow him to withdraw "free" military service he was previously granted in the amount of 1.67 years. Health insurance premiums paid by his employer following retirement would be reduced if he had more than 30 years under TRS. The Executive Secretary recommended that the Board allow the withdrawal. E. Joseph Cross made a motion to approve the request to rescind military service, and Nancy Trackwell seconded the motion, which carried.

Approval of Applications and Benefits.

Regular. The Board reviewed the regular retirement benefits, survivor benefits, and adjustments. Craig Brewington moved to approve the regular retirement, survivorships, and adjustments. E. Joseph Cross seconded the motion, which carried.

Disabilities. David Senn presented the disabilities.

- **James R. Gorder** - The Board reviewed the disability application of James R. Gorder. Craig Brewington made the motion to approve the disability, and E. Joseph Cross seconded the motion, which carried.

- **Robert L. Sayler** - The Board reviewed Mrs. Sayler's disability application and Craig Brewington moved to deny the application for disability because the medical information did not support a permanent and total incapacity for the further performance of her duties. E. Joseph Cross seconded the motion, which carried.

- **Lillian Linse** - After reviewing Mrs. Linse's application for disability benefits, Craig Brewington moved to approve her application. Nancy Trackwell seconded the motion, which carried.

Next Board Meeting. The next Board meeting will be May 15, 1992.

The meeting was adjourned.

Chairman

Executive Director

EXECUTIVE SECRETARY'S REPORT
BOARD MEETING FEBRUARY 14, 1992

SPECIAL SESSION:

The special session passed Senate Bill 1, a technical correction to Senate Bill 226 adopted during the regular 1991 session. Senate Bill 1 changes the effective date as applicable to the benefit adjustment payment retired members will receive each year. Without this correction, it appeared that retirees would receive three benefit adjustments during the 1992-93 biennium.

Senate Bill 1 was amended during the special session to require that beginning in 1993 the benefit adjustment be made by April 1 of each year. The 1992 payment will be made by June 1. Other than Senate Bill 1, the special session had no impact on benefits or administration of the Teachers' Retirement System.

NCTR LEGISLATIVE COMMITTEE MEETING:

On February 1-3, 1992 the NCTR legislative committee met in Washington D.C. to review potential and/or pending federal legislation affecting the administration of public retirement pension plans. The committee met with the Public Pension Coordinating Council which is a joint policy committee of the Governmental Finance Association officers, the National Association of State Retirement Administrator, the National Council on Teachers' Retirement, and the National Conference on Public Employee Retirement Systems.

We also met with Phyllis Borsey, a key staff person from the Legislative Council, House Labor and Management Subcommittee. She advised that this committee would probably not take up the issue of federal regulation of public pension plans this session. This committee is currently chaired by Representative Pat Williams. She indicated that this committee will be more concerned with health care issues, however, it appears that the Ways and Means Committee has taken up the banner of regulating public pension plans which could require further compliance with IRS regulations and could also require public plans to contribute to the Pension Benefit Guarantee Corporation (PBGC). It is my opinion that further regulation would be expensive, if not impossible, to comply with and that a requirement that public pension plans contribute to the PBGC would be an obvious bail-out of private pension plans.

Public pension plans will generally be subject to IRS nondiscrimination and coverage rules beginning in their 1993 plan years. The IRS has not yet issued regulations explaining how these rules will be applied to public pension plans. The purpose of the rule is to prevent highly compensated employees from accruing a more generous benefit than non-highly compensated employees. The rules have two distinct components: (1) minimum coverage and participation requirements that limit an employers ability to exclude employees from pension plans; and (2) limitations on the extent to which contributions or benefits under a plan can vary from participant to participant. A survey completed by the National Council on Teachers' Retirement found no public plans that could comply with current nondiscrimination rules. Recommendations have been submitted to the IRS which would permit public plans to comply. I have asked Milliman and Robinson to review the Teachers' Retirement plan and advise of any changes that would be required to comply with nondiscrimination.

TAX-SHELTERED ANNUITY BROCHURES AND COVER LETTERS:

The brochures describing tax-sheltered annuity benefits available through the Variable Annuity Life Insurance Company and cover letter approved by the board in November have been mailed to all school districts for distribution to members of the Teachers' Retirement System. Also, on April 23rd, VALIC and the TRS will be conducting our first joint pre-retirement workshop. This workshop will be held in Billings at the request of the County Superintendents' Association. We hope to expand the workshop, making pre-retirement planning available to all members.

POST-RETIREMENT ADJUSTMENT:

Each year since January 1990 retirees have received a benefit adjustment based on the system's investment earnings. The adjustment is based on the member's age and total years of service. We are allowed to distribute a portion of the interest earnings in excess of 8%, which is the minimum yield assumed by the actuary. This year the average adjustment was $10.04 per month, or 1.55%. Other State administered plans also make annual benefit adjustments based on interest earnings; the PERS increased benefits an average of $7.03 per month, or 1.67%; The Sheriffs' Retirement System was $22.72 per month, or 4.09%; and Game Wardens' was $8.59 per month, or 0.84%.

JOINT INTERIM SUB-COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS:

The joint committee studying retirement systems held a public hearing on February 5, 1992 to receive comments and recommendations concerning the various plans administered by the State. Those presenting testimony to the committee overwhelmingly supported some form of cost-of-living or

guaranteed annual benefit adjustment for retired members. Employee organizations stated that they were willing to increase employee contributions to help fund an increase. Many attendees were also concerned with the retirees ability to pay for health insurance and a few stated that the retirement plans administered by the state were inadequate.

On February 6th the committee met again to review the comments made during the previous evening and also to hear a legislative council report on public employee retirement systems across the nation. They reported on other states changes in the area of consolidation, COLA's, and commissions. The committee seemed very receptive to the idea of establishing a permanent pension commission which would review all legislation prior to legislative committee hearings.

The next meeting of the Interim Study Committee was scheduled for mid-March, at which time they have asked for the cost of a guaranteed annual benefit adjustment at rates of 2, 3, 4, or 5% and also for the cost of a cost-of-living adjustment with a CPI cap of 2, 3, 4, or 5%. They also asked for additional information and examples of legislation creating policy commissions in other states, and for a report from the Revenue Oversight Committee staff regarding SB 226, taxation of Montana's public retirement plans.

RETIREMENT LISTING

RETIREMENT APPLICATIONS - NOVEMBER 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Bang, Edna Jo	11-01-91	V. R.	10.67	60			258.68
Dolan, Daniel T.	09-01-91	State Dept	25.57	54	2,760.33	I	1,109.74
Hall, Glenn E.	08-01-91	MSU	31.39	63	7,329.04	I	1,698.20
Hamilton, Shirlee J.	06-01-90	V. R.	13.00	60			228.99
Kosta, Vern P.	11-01-91	State Dept	6.00	60	3,383.78	I	416.07

ADJUSTMENTS - NOVEMBER 1991

	RETRO TO	FROM	TO
Boehlke, Margaret Increase in benefit to reflect use of actual 1990-91 salary.	07-01-91	752.60	767.88
Burns, M. Eleanor Decrease in benefit to reflect use of actual salaries.	07-01-91	659.10	652.64
Dye, Gerald A. Increase in benefit to reflect use of actual 1990-91 salary.	07-01-91	894.33	899.69
Eisenzimer, Josephine A. Decrease in benefit to reflect use of actual termination pay amount.	07-01-89	1,198.34	1,197.37
Hart, Donna L. Increase in benefit for approval by Board to go from retirement to disability.	07-01-86	126.03	318.86
[redacted]wbaker, James R. Decrease in benefit to reflect use of actual salary for 1990-91.	07-01-91	1,275.93	1,266.91

[redacted]ie, Sharly M. Increase in benefit to reflect use of actual 1990-91 salary amount.	07-01-91	400.16	400.65
Larson, Roger D. Decrease in benefit due to divorce from original beneficiary.	11-01-91	1,363.34	1,079.42
Paschke, Dan L. Increase in benefit to reflect use of actual 1990-91 salary.	07-01-91	1,491.04	1,492.35
Robinson, Loy D. Increase in benefit to reflect use of actual 1990-91 salary.	07-01-91	1,880.19	1,881.84
Robinson, Margie J. Decrease in benefit to reflect use of actual salary for 1990-91.	07-01-91	1,374.61	1,371.99
[redacted]lyer, Richard R. Increase in benefit to reflect use of actual salary amounts.	07-01-91	1,019.23	1,041.01
Scalf, James M. Increase in benefit to reflect use of actual 1990-91 salary amount.	07-01-91	1,730.66	1,735.64
Stergar, John J. Decrease in benefit to reflect use of actual excess earnings under Option II.	07-01-91	1,583.45	1,582.57
Surwill Jr, Benedict J. Decrease in benefit to reflect use of actual salary amounts for the 1988-89 & 1989-90 school years.	07-01-91	2,149.16	2,128.91
[redacted]lker, Jerry E. Decrease in benefit due to divorce from original beneficiary.	11-01-91	1,310.21	1,170.27

TIREMENT APPLICATIONS - DECEMBER 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Bird, Delores P.	11-01-91	Jefferson	25.86	53			1,110.11
Carlson, Beverly J.	12-01-91	V. R.	15.00	60	2,260.36	I	440.21
Nielsen, LaVerne	07-01-91	V. R.	30.08	58	7,291.50	III	1,183.37
Ronning, Anita M.	07-01-91	Cascade	25.00	47	679.95	III	977.07

SURVIVOR APPLICATIONS - DECEMBER 1991

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Losett, Melissa J.	12-01-91	Gallatin	12.38	33			559.19
Survivor of Jeffrey C. Losett				35			

ADJUSTMENTS - DECEMBER 1991

	RETRO TO	FROM	TO
Guenzi, Richard E. Increase in benefit to reflect use of actual 1990-91 salary amount.	07-01-91	1,025.80	1,038.58
Hall, Glenn E. Increase in benefit to reflect use of actual termination pay amount & purchase of additional service per Board ruling.	08-01-91	1,698.20	1,737.10
Jacobi, Fred W. Decrease in benefit to reflect use of actual 1990-91 salary amount.	07-01-91	1,242.16	1,240.85

[redacted]hnson, Michael A. Increase in benefit to reflect use of actual salary for the 1990-91 school year.	07-01-91	1,387.72	1,392.11
Magee, Frank R. Decrease in benefit to reflect use of actual 1989-90 & 1990-91 salary amounts.	07-01-91	1,922.63	1,921.66
Mize, Everett R. Increase in benefit to reflect use of actual 1990-91 salary.	07-01-91	1,254.37	1,273.76
Nesset, Donna L. Decrease in benefit to reflect use of actual 1990-91 salary.	07-01-91	1,505.68	1,485.43
O'Dea, Paul J. Increase in benefit to reflect use of actual 1990-91 salary amount.	07-01-91	776.73	778.73
Scheibel, Rosemary P. Increase in benefit to reflect use of actual salary amounts.	07-01-91	1,258.37	1,261.66
Taberna, Louis John Increase in benefit to reflect use of actual salary for the 1990-91 school year.	07-01-91	1,056.11	1,060.27
Thiel, Jack L. Decrease in benefit to reflect use of actual termination pay amount under Option II.	07-01-91	1,157.87	1,156.27
Tuggle, Janet J. Increase in benefit to reflect use of actual termination pay under Option II.	07-01-91	929.37	934.02

[redacted]terseher, Geraldine A. 07-01-91 700.70 698.44
Decrease in benefit to reflect use of actual termination pay amount.

Woolley, Mildred C. 07-01-91 1,837.25 1,841.70
Increase in benefit to reflect use of actual 1990-91 salary amount.

RETIREMENT APPLICATIONS - JANUARY 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Batt, Lois M.	01-01-92	Yellowstone	17.46	61	4,948.53	I	676.78
Cardinal, Dolores E.	10-01-89	V. R.	12.94	60			240.96
Catalfomo, Philip	01-01-92	V. R.	11.17	60			682.31
[redacted]okelet, Giles R.	01-01-92	V. R.	11.72	60	2,095.35	II	343.73
[redacted]pple, C. Rockne	01-01-92	EMC	37.00	61	8,282.21	I	2,281.84
[redacted]ay, Philip H.	01-01-92	MSU	33.31	65	9,347.30	I	1,813.85
Gruber, Richard J.	01-01-92	EMC	40.17	66	11,535.77	I	2,248.12
Haagenstad, Aleta A.	07-01-91	Rosebud	23.58	58	2,513.56	I	1,192.49
Haefer, James A.	01-01-92	V. R.	15.25	60			447.21
Heikes, Kenneth W.	01-01-92	EMC	29.25	58	45,397.19	I	3,189.99
Jensen, Kenneth C.	01-01-92	V. R.	19.05	60			264.35
Priebe, Elsie M.	02-01-87	V. R.	16.00	60			155.55
Robbins, John E.	01-01-92	MSU	28.67	57	18,547.10	I	1,649.09
Walton, Allen E.	01-01-92	V. R.	11.78	60			111.17
Whitmarsh, Ruth E.	01-01-92	Custer	8.86	59	795.95	II	99.26
Wollersheim, Janet	01-01-92	U of M	25.94	55	9,469.79	I	1,443.90

SURVIVOR APPLICATIONS - JANUARY 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
[redacted]rank, Patrick G.	11-01-91	V. R.	7.76	42			247.12
Survivor of Pamela Atchison				36			
[redacted]hroeder, Charlotte	12-01-91	NMC	7.23	45	2,991.18	I	310.44
Survivor of Lyle R. Schroeder					53		

[redacted]JUSTMENTS - JANUARY 1992

	RETRO TO	FROM	TO
Butler, Michael G. Increase in benefit to reflect use of actual salaries reported.	07-01-91	1,038.51	1,039.67
Phillips, William H. Change in option due to death of original beneficiary.	01-01-92	101.25	82.47
Schoenthal, Norman Increase in benefit to reflect use of actual creditable service, as well as actual salary amounts.	07-01-91	1,494.49	1,586.86
Snyder, Alberta R. Increase in benefit to reflect use of termination pay under Option II.	07-01-91	1,098.00	1,099.33

TEACHERS' RETIREMENT BOARD MEETING

May 15, 1992

Chairman Cowan called the meeting to order at 9:00 a.m. in the office of the Teachers' Retirement System, those present were:

Jim Cowan, Chairman
W. Craig Brewington
Beda Lovitt, (for Nancy Keenan)
Nancy Trackwell
E. Joseph Cross
David L. Senn, Executive Secretary
Brenda Nordlund, TRS Legal Counsel

John Kranick was absent at roll call, but joined the meeting approximately 9:45 a.m.

Others present were:

Tom Bilodeau, MEA
John Hutchinson, Commissioner of Higher Education
John H. Noble
J. Dennis Moreen
Harvey Franks
Art Walker

Approval of Minutes for February 14, 1992. Nancy Trackwell moved to approve the minutes as presented. E. Joseph Cross seconded the motion, which carried.

Financial Statements, Budget Report, and Investment Report. The Executive Secretary gave a report with a brief discussion following.

Data Processing Proposals. Rod Sheppard gave a presentation to the Board recapping the process of data processing proposals and the scoring of the RFP's. He explained the criteria they looked for in the vendors. The company that ranked highest has worked with four different public retirement systems and received excellent references. A brief discussion about the costs involved and a trip to Denver to see the system first hand followed. W. Craig Brewington made a motion to have David Senn and Rod Sheppard

travel to Denver and to authorize the Executive Secretary to negotiate a contract with the company that ranks highest if the system appeared to meet our needs, which John Kranick seconded. The motion carried.

Executive Secretary's Report.

Average Final Compensation--Grandfathering 36 Month Rule. The Executive Secretary reported that benefits were recalculated for three retirees from the University System under the 36 month average method as a result of the Board's decision at the February 14, 1992 meeting.

Options D & E Update. The Executive Secretary gave a brief description of what Options D and E are, stating that under these options the benefit is guaranteed to decrease upon the death of either the member or the beneficiary. He stated that all individuals currently under these options were contacted requesting information to verify that both are living and that nine individuals were overpaid a total of $103,000.00. Collection or arrangements for repayment has been made on almost all overpaid accounts, with only one being written off as totally uncollectible in the amount of $851.00. He reported on a disability retiree, Louis Karhi, who has still not replied to our request for information. He informed the Board that registered letters were sent to his home and his bank, and that he has received the letter.

Senate Bill 264 This legislation required that an independent study be completed on the University's contribution to TRS under the Optional Retirement Program. The legislature appropriated $20,000.00 to the University System to pay for an independent study. The Legislative Auditor is coordinating the study, and has selected Buck Consultants at a cost of $33,000.00. The University System is willing to pay the additional cost.

NCTR Director's Meeting The Fourth Annual NCTR Executive Director's meeting will be held in Whitefish on May 30-June 1, 1992. For the first time, this year there is a $150.00 registration fee.

Transfer of Sheriffs' Retirement System Credits. Two members of TRS have requested to transfer service they had withdrawn from the Sheriff's Retirement System. The statutes only address the transfer of PERS service. The Public Employees' Retirement Board's legal counsel recommended against the transfers.

Legislative Interim Committee on Retirement Systems. The Executive Secretary informed the Board that this committee met on Monday, May 11, 1992 to review legislative counsel staff report on establishing a permanent retirement committee. They voted to draft legislation for a statutory committee, which would review and make recommendations on bills introduced.

Legal Counsel Report. Brenda Nordlund reported on the Senate Bill 226/Sheehy litigation explaining that she argued the case at the end of March and is confident that she will have a decision to

report to the Board at their next meeting. On the Arneson vs TRS case, she reported that although the decision was favorable in many respects, basically TRS lost. Brenda recommended to the Board that they appeal the decision. After a discussion, John Kranick made a motion to appeal the decision to the Supreme Court. Nancy Trackwell seconded the motion, which carried.

Executive Planning Process. The Executive Secretary reported on the budget modifications and legislation proposed. He noted that some of the proposed legislation would require additional funding.

New Business

Art Walker. Mr. Walker was in attendance to present his request to the Board to allow him to use termination pay he received from the Great Falls Public Schools in June, 1981 as earned compensation, rather than as termination pay when he retired on July 1, 1983. In 1981, termination pay was not defined and was used as earned compensation in the calculation of benefits. His retirement benefit would increase $37.39 per month if the benefit is recalculated. After a brief discussion, E. Joseph Cross made a motion to allow Mr. Walker to use his termination pay from Great Falls Public Schools. W. Craig Brewington seconded the motion, which carried.

Harvey Franks. Mr. Franks was in attendance to ask the Board to allow him to use a vacation payment as regular earned compensation, rather than as termination pay, in the calculation of retirement benefits. John Kranick made a motion to deny the request. After further discussion, W. Craig Brewington seconded the motion, which carried.

Old Business.

Waste Buster Program. The Executive Secretary reported to the Board the purpose of the Waste Buster Program and the results the staff achieved. He informed the Board that the Department of Administration and the Teachers' Retirement System intended to encourage future ideas. He also informed the Board that the Department of Administration wanted to discontinue using personalized letterhead and asked for their direction. After some discussion, the Board directed that the Teachers' Retirement System discontinue the use of personalized letterhead.

New Business.

Robert T. Engel. Mr. Engel petitioned the retirement board asking that they allow him to terminate his monthly retirement benefits and withdraw his accumulated account balance. The Executive Secretary informed the Board that there are no statutory provisions that would allow for the refund of a retired members' accumulated account balance. Following a brief discussion, W. Craig Brewington made a motion to deny Mr. Engel's request. John Kranick seconded the motion, which carried.

Notary Public Services Policy. David Senn informed the Board of the policy he wishes to have implemented regarding the Notary Public Services for the protection of the office and the office staff involved in notary service. Joseph Cross made a motion to approve the implementation of a Notary Public Services Policy, with John Kranick seconding the motion. The motion carried.

Disability Forms. The Executive Secretary informed the Board that he met with W. Craig Brewington and Joseph Cross to discuss the proposed changes in the disability forms currently being used and report that they are moving forward in that area.

Approval of Applications and Benefits. The Board reviewed the regular retirement benefits, survivor benefits, and adjustments. W. Craig Brewington moved to approve the regular retirement, survivor benefits, and adjustments. John Kranick seconded the motion, which carried.

National Council on Teachers' Retirement. The Executive Director asked the Board to designate delegates to attend the conference in Naples, Florida on September 20th through September 24th. After some discussion, Craig Brewington moved that John Kranick, Nancy Trackwell, and David Senn attend the conference. Joseph E. Cross seconded the motion, which carried.

Disability Reviews. The Executive Secretary informed the Board that there are only two disability retirees who did not respond to the request in January for a statement of continued disability and financial information: Montana Tolliver and Joan Stroup. Following a brief discussion, the Board decided to grant Montana Tolliver an extension until August to get her forms in, per her request. W. Craig Brewington moved to hold disability benefits until Joan Stroup complied with the request for information. Nancy Trackwell moved to second the motion, which carried. The Board also discussed removing Jerel Barnhart from disability retirement since he is now employed in a similar job situation in New Jersey. E. Joseph Cross made a motion to remove Mr. Barnhart from disability, which John Kranick seconded. The motion carried.

10% Cap Exemption, Administrative Increases. John Hutchinson, Commissioner of Higher Education, and John Noble were in attendance to ask that the Board grant an exemption to the 10% cap in John Noble and Dr. Donald Habbe's retirement calculation on the basis of an equity adjustment granted to all similarly situated employees. The Executive Secretary briefly explained to the Board that the increase was the result of an equity adjustment in administrative salaries to bring salaries in line with those of comparable administrators in the region. He then introduced John Hutchinson, who made the following comments: "There are two equity issues that we addressed: one is how we stack up with comparable institutions in the region and then how we stack up within the system. It is important to note that in the Commissioner's office we peg to the two Universities, those are the two that we sort of index our salaries on and historically we have tried to keep the Commissioner and the associate or deputy commissioners at comparable levels to the presidents and the academic and fiscal

vice-presidents at the two universities. The colleges are somewhat below us in pay and so they don't really enter into it as far as an equity situation is concerned. And beyond that I would certainly be happy to answer any questions that you might have, but we feel that this clearly was an equity adjustment and commensurate in both of these cases with what was going on throughout the rest of the system." Jack Noble made the following comments following Commissioner Hutchinson's: "I would also like to add that I believe we understand the intent of the provision you have is so that salary adjustments cannot be made in the final three years that essentially abuse the assets of the retirement system. I'd only like to point out that my retirement is not voluntary, it's involuntary, I started my career within Montana and in the University System and certainly I think the salary adjustments that Commissioner Hutchinson spoke to are justified. I think the problem we were running into, for instance the University of Montana went through three searches before they hired a vice-president. Then they finally had to bring a vice-president from out of state at the salary level there I think of $80,000.00, and I think the Commissioner and the board felt pretty strongly that if they're going to go outside and have to bring people in at those salaries, then certainly those who dedicated their life and career to the state ought to be paid a commensurate amount. I know in my case this is not a voluntary retirement and certainly not something the Commissioner or the board intended to do to detract from the assets or try to juggle the retirement benefit for myself. So I would greatly appreciate your consideration in this matter." John Kranick made a motion to deny an exemption to the 10% cap in the case of John Noble and Donald Habbe, which W. Craig Brewington seconded for point of discussion. The Board reviewed the list of all similarly situated employees submitted by the Commissioner and questioned if increases in excess of the 10% cap had been granted to all similarly situated employees. After further discussion, the motion carried.

Disability Retirement Applications. Mary Harrington presented the disability applications. The Board went into Executive Session to discuss the disability applications, as the privacy of the individual outweighs the public's right to know.

- **Edward Thomas.** W. Craig Brewington made a motion to approve the disability application of Edward Thomas, based on hearing loss. The Board then came out of Executive Session, with Nancy Trackwell seconding the motion. The record shows that John Kranick voted "nay"; the motion carried.

- **Patricia A. Billingsley.** Ms. Billingsley made an appeal to the Board to reconsider her application for disability retirement benefits. Mary Harrington reported to the Board on the additional information Ms. Billingsley's physician provided. Based on the diagnosis of depression, Joseph Cross made a motion to approve Ms. Billingsley's disability application, with a yearly review by a psychologist. Nancy Trackwell seconded the motion, which carried.

- **Everett Boland.** Mary Harrington reported to the Board on the information submitted by Mr. Boland's physician indicating that his diagnosis of episodic severe clinical depression with intermittent anxiety reactions that is exacerbated by his workplace. W. Craig Brewington made a motion to approve the disability on the basis of depression, which Joseph Cross seconded. The motion carried.

- **James Burdette.** Mr. Burdette's physician reports on his Physician's Statement that Mr. Burdette has chronic pain syndrome, anxiety, and depression. Nancy Trackwell made a motion to approve the disability based on a diagnosis of depression. Joseph Cross seconded the motion, which carried.

- **Janice Jungling.** The Board reviewed Ms. Jungling's disability retirement application and Joseph Cross made a motion to deny Ms. Jungling's disability application based on the medical diagnosis of chronic fatigue syndrome, which does not support a total and permanent disability. W. Craig Brewington seconded the motion, which carried. John Kranick abstained.

- **Joan Kennerly.** Based on the medical information provided, W. Craig Brewington made a motion to deny the request for disability benefits, which does not support a permanent and total disability, but to approve her application under a normal retirement benefit. Joseph Cross seconded the motion, which carried.

- **Phyllis Russell.** After reviewing Ms. Russell's disability application, Joseph Cross made a motion to approve her under a disability retirement. Nancy Trackwell seconded the motion, which carried.

- **Gary G. Sullivan.** The Board reviewed Mr. Sullivan's disability application in which his physician states he is unable to seek gainful employment. John Kranick made a motion to approve the disability application, which W. Craig Brewington seconded. The motion carried.

Next Board Meeting. The next Board meeting will be September 18, 1992.

The meeting was adjourned.

EXECUTIVE SECRETARY'S REPORT
BOARD MEETING MAY 15, 1992

AVERAGE FINAL COMPENSATION--GRANDFATHERING 36 MONTH RULE

As a result of action taken during the February 14, 1992 meeting, benefits for three retirees from the University System were recalculated under the 36 month average method and the following adjustments made:

NAME	ORIGINAL BENEFIT	ADJUSTED BENEFIT
C. Rockne Copple	$2,281.84	$2,361.90
Richard Gruber	$2,248.10	$2,299.68
John Robbins	$1,649.09	$1,692.22

OPTIONS D AND E UPDATE

With approximately six hundred individuals under Options D and E, only Louis Karhi has not responded to our request for information regarding the beneficiary. The only address we have on file for Mr. Kahri is a bank address and only recently has the bank provided us with a Post Office box number for Mr. Karhi. We also find that Mr. Kahri is listed in the City Directory with a Great Falls address. We recently sent letters to both the Post Office and the address listed in the City Directory.

To date, our efforts to verify information regarding the member's beneficiary has resulted in the discovery of nine overpaid accounts totalling $103,471.03. Of these nine, four are continuing to receiving reduced benefits in an effort to repay a total of $53,075.60. One has repaid this retirement system in full, a total of $1,676.16. Two have been settled for a partial payment of $11,251.00 out of a total due of $30,030.37. One retiree has assigned his life insurance policy to the Teachers' Retirement System to repay an overpayment of $17,837.73. Only one account has proved totally uncollectible in the amount of $851.32.

SENATE BILL 264

In accordance with Senate Bill 264, the legislative auditor submitted a request for proposal for actuarial services to determine the contribution due the Teachers' Retirement System as a percentage of those salaries of members who have elected the Optional Retirement Program. The legislative auditor received four proposals in response to their request and selected Buck Consulted to perform the valuation and determine

the contribution rate due the Teachers' Retirement System. The total price for this engagement is $33,600.00 and will be fully paid by the University System.

NCTR DIRECTOR'S MEETING

The Fourth Annual NCTR Executive Director's Meeting will be held in Whitefish, Montana on May 30-June 1, 1992. This year, for the first time, there is a registration fee of $150.00 with meals and lodging paid by the NCTR. Travel expenses are estimated at $110.00.

TRANSFER OF SHERIFFS' RETIREMENT SYSTEM CREDITS

The staff attorney for the Public Employees' Retirement Board has recommended against transferring Sheriffs' Retirement System credits via the Public Employees' Retirement System to the Teachers' Retirement System under existing statutes. The Public Employees' Retirement Board did not take any actions to facilitate the transfers of Sheriffs' Retirement service credits. I have written the members of the TRS who have requested a transfer of Sheriff's credit and advised them of the Public Employees' Retirement Board's action and that the only alternative would be to seek a legislative remedy.

RETIREMENT LISTING

RETIREMENT APPLICATIONS - FEBRUARY 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Copple, Rebecca J.	02-01-92	V. R.	13.50	58			254.70
Gilbert, Kenneth	07-01-91	V. R.	25.56	48	6,201.20	III	985.27
Hughes, Carol K.	02-01-92	Silver Bow	31.53	54	16,879.39	I	1,800.95
Hughes, Joseph E.	02-01-92	Silver Bow	31.53	56	16,977.95	I	1,691.72
Lane, Laverne L.	02-01-92	V. R.	15.63	60			446.95
Smith, Coila M.	07-01-90	V. R.	6.00	60			111.11
Soper, Helen E.	02-01-92	Phillips	25.08	47	1,359.20	III	939.63
Vicevich, Alice G.	02-01-92	Silver Bow	26.66	57	15,523.26	I	1,725.55
Williamson, Kathryn R.	02-01-92	St Dept	29.86	57	1,956.63	I	1,300.95

SURVIVOR APPLICATIONS - FEBRUARY 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
[redacted]ers, Lynne A.	01-01-92	Mt Tech	11.61	52	2,051.69	I	587.80
Survivor of Edward Ayers				52			
Cusick, Judy M.	02-01-92	Silver Bow	35.57	51	16,114.56	I	1,819.63
Survivor of James A. Cusick				61			

ADJUSTMENTS - FEBRUARY 1992

	RETRO TO	FROM	TO
Copple, C. Rockne Increase in benefits per Board Meeting of February 14, 1992.	01-01-92	2,281.84	2,361.90
Gruber, Richard J. Increase in benefits per Board Meeting of February 14, 1992.	01-01-92	2,248.12	2,299.68
[redacted]bbins, John Increase in benefits per Board Meeting of February 14, 1992.	01-01-92	1,649.09	1,692.22

[redacted]TIREMENT APPLICATIONS - MARCH 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Beck, June E.	03-01-92	Lincoln	12.68	51			192.23
Smith, Norin J.	03-01-92	V. R.	12.92	60			389.48

ADJUSTMENTS - MARCH 1992

	RETRO TO	FROM	TO
Brown, Terry F. Increase in benefits to reflect use of actual salary.	07-01-91	1,260.35	1,262.24
Huston, Paul S. Increase in benefits to reflect termination pay received under Option I.	07-01-90	1,323.86	1,328.41
Tatge, Sandra L. Increase in benefits to reflect use of actual salary.	07-01-91	1,133.03	1,146.08

RETIREMENT APPLICATIONS - APRIL 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Colby, Edmund K.	04-01-92	V. R.	6.22	60			76.31
Lund, Bennie J.	12-01-88	V. R.	10.00	60			87.65
Lund, Richard E.	04-01-92	MSU	31.75	60	26,369.70	I	2,418.01
[redacted]ampson, Joan H.	04-01-92	Silver Bow	35.76	59	16,238.75	I	2,043.71
[redacted]kalsky, Frank D.	04-01-92	WMC	18.00	60	6,296.40	II	968.95

[redacted]JUSTMENTS - APRIL 1992

	RETRO TO	FROM	TO
Catalfomo, Philip Increase in benefits to reflect use of actual salary.	01-01-92	682.31	683.42
Roth, Marilyn L. Decrease in benefits to reflect use of actual 1990-91 salary amount.	07-01-91	1,531.27	1,512.03
Stalnaker, Charles B. Decrease in benefits to reflect a change from Option I to Option II relative to term pay.	07-01-91	994.50	938.52
Tietz, William J. Jr. Increase in benefits to reflect use of "excess earnings" under Option I.	08-01-91	2,021.77	2,031.32
Wollersheim, Janet P. Increase in benefits to reflect use of actual 1990-91 salary amount.	01-01-92	1,443.90	1,148.13

[redacted]

CONFERENCE CALL MINUTES
TEACHERS' RETIREMENT SYSTEM
JUNE 30, 1992

The conference call of the Teachers' Retirement System was called to order at 10:20 a.m. Those in attendance were:

James Cowan, Chairman
E. Joseph Cross
W. Craig Brewington
John Kranick
David Senn

Those participating with the Board were:

Robert Nickelson
Craig Roloff
Joseph Fedock
LeRoy Schramm
Larry Brewer

10% Cap, College of Engineering. David Senn reviewed Administrative Rule 2.44.518, Limit On Earned Compensation, explaining that the College of Engineering, on behalf of their employees, had asked that an exemption be made to the 10% cap based on this rule which allowed for an exemption for increases granted by the employer to all similarly situated employees. Craig Brewington asked if the adjustment was paid over a period of multiple years. Mr. Senn answered that to the best of his knowledge, the increase had occurred between the 1991 and 1992 academic years. Joe Cross asked if there would be any adverse funding effects if an exemption was approved. Mr. Senn explained that since all employees had received the increase that the funding would be there to provide benefits to those who elected retirement. He did not anticipate more than four retirees this fiscal year. Craig Brewington asked if new employees would be hired on the same salary schedule. Craig Roloff of MSU stated that you could assume that some would, depending upon the credentials of the new employee. Craig Roloff also explained that the increases received by the Department of Engineering were the result of a legislative budget amendment. The Legislature appropriated additional funding to the college for adjustments to a market rate of pay for employees of the College of Engineering and also for replacement of equipment. Craig Brewington moved to authorize an exemption to the 10% cap for employees of the College of Engineering. Joseph Cross seconded the motion, which carried with John Kranick abstaining.

Special Session. The Teachers' Retirement Board discussed the upcoming July 6, 1992 special session of the Montana Legislature. The Executive Secretary explained that the Governor's budget proposal included a recommendation to repeal the adjustment granted to retirees in compensation for payment of state income taxes. He explained that during the regular session, the Board had not taken

a position regarding the tax issue, but had worked with the legislature and the retirees to craft the legislation that granted the adjustment. He recommended that the Board continue their position into the special session and that the Executive Secretary continue to work with the legislature and the retirees on this issue.

The conference call of the Teachers' Retirement Board was adjourned at 10:50 a.m.

Chairman

Executive Director

TEACHERS' RETIREMENT BOARD MEETING

September 11, 1992

Chairman Cowan called the meeting to order at 9:00 a.m. in the office of the Teachers' Retirement System. Those present were:

Jim Cowan, Chairman
W. Craig Brewington
E. Joseph Cross
John Kranick
David L. Senn, Executive Director
Brenda Nordlund, TRS Legal Counsel

Beda Lovitt, attending for Nancy Keenan, was absent at roll call, but joined the meeting at approximately 8:30 a.m.

Others present were:

Joe Brookshire, MEA-Retired
Richard Dunn, Professor, MSU
Leroy Schramm, University System Legal Counsel
Phil Campbell, MEA

Approval of Minutes for May 15, 1992 and conference call of June 30, 1992. W. Craig Brewington moved to approve the minutes as presented. John Kranick seconded the motion, which carried.

Old Business.

University System - 10% Cap. The Executive Director gave a brief review of the information covered in the May 15, 1992 Board meeting regarding the increases received by employees of the University System. He then introduced Leroy Schramm, University System legal counsel, who gave the Board a more detailed explanation of why the increases in excess of 10% were granted to Mr. Noble and Dr. Habbe. After a lengthy discussion, John Kranick moved to deny the request for an exemption to the 10% cap. For lack of a second, the motion died. E. Joseph Cross then moved to approve an exemption to the 10% cap, which Craig Brewington seconded. The motion carried with one dissenting vote.

Korean Conflict. Richard Dunn, Professor from MSU, attended the Board meeting to explain to the Board his request that the Board support legislation to grant free military service for members of TRS before 1971. David Senn explained to the Board what measures have been taken to determine the cost of offering free service to these members, and the request was tabled until the further information is received.

Summer earnings. David Senn reported on the request for summer earnings to be excluded from earned compensation reported to the Teachers' Retirement System. He reported that the system's actuary has several concerns regarding the proposal, i.e. reduced funding

on benefits, possible abuse of adding summer salaries to base contract amounts, and uncertainty of the cost to the system. He recommended to the Board that they oppose only change in the compensation reported to TRS, and the Board agreed.

Adjustment of Errors - Senate Bill 226. The Executive Director gave a brief overview of Senate Bill 226 which provided for the taxation of retirement benefits and the adjustment for those retirees who remained residents of the State of Montana. When the adjustments were processed thirteen retirees were inadvertently missed, resulting in a small overpayment to those who received the adjustment, average $.60 per retiree. The Executive Director recommended that the Board approve paying the individuals who did not receive the adjustment. The total adjustment due is $3,271.82. The estimated cost to recover the overpayment would exceed the adjustment due. John Kranick moved to approve the payment; which W. Craig Brewington seconded. The motion carried.

New Business

Russell Steinebach and Martha Dow. Both Mr. Steinebach and Ms. Dow were credited with one full year of service credit for part-time service when ledger cards were converted to an automated system in 1974. Neither member was aware of the error and had based their retirement planning on the information provided to them by the TRS on their annual statements. They requested that the Board grant them full retirement benefits, effective July 1, 1992, based on their correct service credit of 24.60 years of membership service, and 24.44 years of service, respectively. John Kranick moved to approve full retirement benefits based on actual service credit. E. Joseph Cross seconded the motion, which carried.

Louis Karhi. The Executive Director informed the Board of Mr. Karhi's offer to name the Teachers' Retirement System as beneficiary to his life insurance policy to repay the $26,418.08 overpayment he received since his wife passed away in 1978, and to continue to receive his monthly benefit of $211.45 until his death. The Board moved to table the issue until legal counsel has an opportunity to review the information and have legal documentation drafted.

Arthur Walker. At the May, 1992 meeting, the Board approved a retroactive adjustment in the calculation of Mr. Walker's retirement benefit of $37.39 per month . Mr. Walker is now requesting that the Board authorize payment of interest on the retroactive payment at the rate of 8%, which he calculates to be $5,851.96. Based on a review of the statutory language with the system's actuary and with Brenda Nordlund, TRS legal counsel, the Executive Director recommended that the Teachers' Retirement Board deny the request for interest and request that Mr. Walker return the retroactive payment he received in the amount of $4,000.73 and that he receive an actuarial equivalent adjustment in his future monthly retirement benefits so that he receives the adjusted benefit that he was entitled to over his remaining lifetime. W.

Craig Brewington moved that the interest payment be denied; E. Joseph Cross seconded the motion, which carried.

Legal Counsel Report. Brenda Nordlund gave a brief report to the Board on the three cases she is currently working on. She noted that she would be able to more fully report on the status of the Sheehy case at the next board meeting. The second matter she reported on, currently in the Supreme Court, is Arneson vs TRS. She doesn't anticipate any Supreme Court decision until at least January, and possibly beyond that. The third legal matter Brenda reported on was the Scott vs Scott and TRS suit. She's requested that the venue be changed to Lewis & Clark county, rather than in Chouteau county, and is waiting for a decision.

Brenda attended the National Association for Public Pension Attorney's Conference on behalf of the Teachers' Retirement System, and gave the Board a brief overview of the seminars she attended at the conference.

She also reported on how the Fair Labor Standards Act might affect the Teachers' Retirement System. In the last five years, the United States Department of Labor has started to become very conservative and narrow in their interpretations of who is exempt under the established categories of exemption. She suggested that she and David review the Assistant Administrator's position to ensure that the current exempt status is appropriate.

Brenda then introduced Kelly Jenkins who gave a report to the Board on the Americans with Disabilities Act (ADA) and how it could affect the Teachers' Retirement System. He advised the Board to keep the ADA guidelines in mind when dealing with disability retirement application determinations.

Approval of Applications and Benefits. The Board reviewed the regular retirement benefits, survivor benefits, and adjustments. Craig Brewington moved to approve the regular retirement benefits, survivor benefits, and adjustments. John Kranick seconded the motion, which carried.

Disability Retirement Applications. Gary Warren presented the disability applications. The Board went into Executive Session to discuss the disability applications, as the privacy of the individual outweighs the public's right to know.

- **Sandra Davis.** John Kranick made a motion to approve Ms. Davis' disability application on the basis of cognitive impairment. Craig Brewington seconded the motion for discussion. After a brief discussion, the motion carried.

- **Janice Jungling.** Ms. Jungling repetitioned the Board for

disability retirement benefits. Based on additional information, John Kranick made a motion to approve her application, based on a medical diagnosis of depression. Joseph Cross seconded the motion, which carried.

- **Emily B. Hastings.** Craig Brewington made a motion to approve Ms. Hastings' disability application, based on a medical diagnosis of dementia. Joseph Cross seconded the motion, which carried.

Disability Reviews. At the previous board meeting it was decided that Montana Tolliver's disability benefit would be held for failure to provide the TRS with yearly disability documentation. Craig Brewington moved to grant her an extension until October 15, 1992, based on information provided by her accountant stating that she has been ill. John Kranick seconded the motion, which carried.

Administrative Rule Drafts. The Executive Secretary advised the board of the draft administrative rule changes affecting the TRS amending the application procedure, requiring that all members retiring provide the office with their last years contract and any subsequent contracts requested, and to change the effective date of retirement benefits from the first of July for those completing the school year to the first of the month following the end of their contract. He noted that the changes will be noticed for public comment and hearing and presented to the Board in November for adoption.

Financial Statements and 1994-95 Biennium Budget. The Executive Secretary presented the financial statements and 1994-95 biennium budget, followed by a brief discussion. He then asked the Board to approve new drapes and blinds for the Teachers' Retirement System office, at an estimated cost of $2,814.00. John Kranick moved to allow expenditure for new drapes and blinds, with Craig Brewington seconding the motion, which carried. He then asked the Board to approve changes to the budget for the 1994-95 biennium. John Kranick made a motion to approve the budget changes. Joseph Cross seconded the motion, which carried.

Next Board Meeting. The next board meeting will be November 20, 1992.

The meeting was adjourned.

Chairman

Executive Director

TEACHERS' RETIREMENT SYSTEM
Executive Director's Report
September 11, 1992

Special Session

The second special session of the Montana legislature convened on July 6, 1992 and considered legislation to eliminate or reduce the retirement adjustment granted by the 1991 legislature to offset the effects of taxation of public retirement benefits. The legislation was introduced by Senator Tom Keating to eliminate the annual benefit adjustment. Senator Keating proposed to reduce the annual adjustment by half rather than completely eliminate the adjustment. The committee did not feel it was appropriate to eliminate or reduce the adjustment granted to retirees in compensation for taxation and sent the bill to the full senate with a do not pass recommendation, where the bill died.

Interim Legislative Subcommittee Meeting

The interim legislative subcommittee on retirement systems held their final meeting on August 5th, and reviewed proposals for a guaranteed annual benefit adjustment for public retirees. The committee was sympathetic with the needs of the public retirees, but because of the current economic conditions, were unwilling to recommend a specific bill to the 1993 legislature. While the committee failed to reach consensus on recommending a bill to the legislature, they did provide the retiree organizations and the retirement boards with information needed to move forward to the 1993 session with a proposal of their own. On behalf of the retired organization, Senator Don Bianchi of Belgrade has requested that a bill be drafted providing for a guaranteed 3% annual increase in monthly benefits with a 5 year waiting period. If the bill's final format meets with the approval of Montana Retired Teachers' Association and provides for full funding, I recommend that the Teachers' Retirement Board fully endorse the proposal.

RETIREMENT LISTING

RETIREMENT APPLICATIONS - MAY 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Getts, Larry D.	11-01-87	V. R.	20.00	50			367.84
Martin, Jeremiah J.	05-01-92	Silver Bow	34.00	62	25,009.14	III	2,268.35
Murray, Gene R.	05-01-92	Gallatin	27.28	50			1,350.85
Tuggle, Gary B.	02-01-92	Carter	25.23	55			1,410.92

SURVIVOR APPLICATIONS - MAY 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Meyers, Christene Survivor of Bruce K. Meyers	03-01-92	EMC	24.66	44 49	5,317.26	I	992.15

ADJUSTMENTS - MAY 1992

	RETRO TO	FROM	TO
Gray, Philip H. Increase in benefits to reflect use of actual termination pay amount.	01-01-92	1,813.85	1,814.53
Schroeder, Charlotte S. Decrease in benefits due to her change in election from Option I to Option II relative to termination pay.	12-01-91	310.44	305.43

RETIREMENT APPLICATIONS - JUNE 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Adams, Barbara M.	05-01-92	V. R.	7.17	60	103.00	III	59.58
Barry, Edward E.	06-01-92	MSU	36.50	61	11,041.71	I	2,192.37
Evans, Gary F.	06-01-92	MSU	31.22	58	12,400.92	I	2,121.76
Hatcher, Donald C.	07-01-91	V. R.	27.00	49	9,081.20	I	1,348.79
Kennerly, Joan E.	02-01-92	Glacier	35.20	70	25,010.64	II	1,744.38
Nicholson, Jean W.	07-01-91	Carbon	13.33	56			289.22
Raecke, Claudia L	06-01-92	V. R.	16.89	51	5,492.44	I	384.08
Volborth, Alexis	06-01-92	MT Tech	13.00	68	6,434.70	III	787.88

ADJUSTMENTS - JUNE 1992

	RETRO TO	FROM	TO
Lund, Richard E. Decrease in benefits to reflect use of actual salary.	04-01-92	2,418.01	2,415.14
Sampson, Joan H. Increase in benefits to reflect use of actual salary amounts.	04-01-92	2,043.71	2,051.93
Walker, Arthur A. Increase in benefits per board action of May 15, 1992.	07-01-83	1,785.77	1,823.16
Williamson, Kathryn R. Increase in benefits due to a change in retirement date, salary calculation, & service.	01-01-92	1,300.95	1,324.86

RETIREMENT APPLICATIONS - JULY 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Alexander, Marilyn B.	07-01-92	L & C	26.17	47	7,473.64	III	1,390.16
Allen, Bernard C.	07-01-92	Gallatin	29.00	51	8,010.28	I	1,541.06
Anderson, Anne F.	07-01-92	V. R.	17.77	60			577.56
Anderson, Gertrude A.	07-01-92	Big Horn	31.40	64	14,788.04	II	1,326.46
Anderson, Margaretha G.	07-01-92	Judith Basin	22.00	60	420.00	III	567.41
Anderson, Tomas F.	07-01-92	Roosevelt	26.00	51	6,776.64	I	1,720.73
Angel, Marvel J.	07-01-92	Ravalli	20.00	59	8,100.00	III	721.98
Armbrust, Carolynn K.	07-01-92	Park	25.00	48	12,134.00	III	1,104.20
Arthun, Joyce L.	07-01-92	Dawson	40.30	60			1,567.22
Baker, Mary Patricia	07-01-92	Valley	32.53	60	10,000.00	I	1,538.08
Baldwin, Carolyn E.	07-01-92	Gallatin	23.56	54	6,933.05	I	1,049.93
Barrow, Sarah G.	07-01-92	Flathead	25.00	57			1,026.10
Bawden, Boyd R.	07-01-92	L & C	37.35	61			1,746.41
Beck, Buford L.	07-01-92	Missoula	40.13	68			2,157.67
Bierwiler, Valerie J.	07-01-92	Yellowstone	24.50	65	12,890.39	I	1,104.30
Biver, John J.	07-01-92	Carbon	25.00	47	7,620.00	I	1,068.54
Biver, Thomas W.	07-01-92	Gallatin	25.22	46			934.18
Blair, Alida W.	07-01-92	Flathead	25.00	48	10,000.00	III	1,360.01
Bodily, Dennis B.	07-01-92	Gallatin	23.98	56	7,525.38	I	1,107.46
Boos, Lillian R.	07-01-92	Valley	40.67	60	10,000.00	I	2,123.78
Bowman, Darrell E.	07-01-92	Gallatin	33.96	59	8,075.28	I	1,641.11
Branch, Adele C.	07-01-92	Ravalli	20.00	61			781.32
Brown, Eldora W.	07-01-92	Carbon	31.00	61	12,600.00	I	1,255.85
Brown, Kizzie R.	07-01-92	L & C	36.00	59	4,547.36	I	1,651.44
Brunken, Norman R.	07-01-92	L & C	27.50	51	10,380.55	I	1,786.22
Brusven, Lavern E.	07-01-92	Gallatin	28.00	53	7,720.38	I	1,479.27
Buness, David J.	07-01-92	L & C	29.20	55	10,043.48	I	1,873.48

Butala, Amber L.	07-01-92	L & C	26.00	56	8,916.57	III	1,272.70
Campeau, Raymond W.	07-01-92	Gallatin	34.36	59	7,686.87	I	1,821.90
Chinske, John E.	07-01-92	Missoula	25.50	52	5,251.73	I	1,210.37
Christianson, Jeanette V.	07-01-92	Cascade	14.56	54	3,001.09	I	394.73
Coffin, Arthur B.	07-01-92	MSU	27.00	63	15,437.05	I	1,864.61
Collins, Albina C.	07-01-92	Yellowstone	19.00	64	7,482.15	I	777.21
Colmey, Kathryn M.	07-01-92	Park	14.94	66	5,669.00	III	577.73
Conway, Patrick D.	07-01-92	Hill	31.00	54	20,040.18	I	2,323.85
Daniels, Clair M.	07-01-92	Sheridan	29.00	54	2,366.56	III	1,337.19
Darko, Mavis A.	07-01-92	Cascade	32.39	62	656.14	I	1,340.30
Delaney, George T.	07-01-92	Beaverhead	29.00	52	23,100.00	I	2,307.47
Diekman, Duane A.	07-01-92	Yellowstone	30.83	59	12,989.87	I	1,466.95
Drew, Elda M.	07-01-92	Silver Bow	25.94	64	14,488.32	I	1,316.39
Edens, Barbara D.	07-01-92	L & C	34.00	63	7,048.76	I	1,591.98
Edmonds, Avis E.	07-01-92	Yellowstone	30.90	61	8,205.12	I	1,361.92
Eyer, June E.	07-01-92	Dawson	22.00	52	11,691.00	I	816.07
Ferkin, Douglas A.	07-01-92	Gallatin	25.00	50	7,520.28	I	1,316.61
Ferris, Richard F.	07-01-92	Beaverhead	25.00	50	9,225.00	III	1,135.03
Ficek, Larry F.	07-01-92	Dawson	27.55	53	10,288.00	III	1,234.30
Fischer, Alice B.	07-01-92	Missoula	22.00	64	5,787.86	I	1,198.93
Fleming, John M.	07-01-92	Cascade	32.27	53			1,280.95
Flynn, Dorothy M.	07-01-92	L & C	21.72	62	4,947.06	I	1,073.79
Fradette, James L.	07-01-92	L & C	34.92	59	4,008.61	I	1,377.07
Franks, Harvey G.	07-01-92	Park	26.00	49	7,800.00	III	1,640.37
Gabrielson, Clifton H.	07-01-92	Richland	36.84	64	6,908.58	III	2,242.26
Geldof, Richard C.	07-01-92	Gallatin	23.78	64	1,170.00	I	941.44
Genger, Nancy L.	07-01-92	Hill	9.00	60			266.36
Germundson, Gary O.	07-01-92	Daniels	31.00	54	3,765.48	I	1,744.16
Gernaat, Mary J.	07-01-92	Cascade	29.96	51	3,746.44	I	1,289.27
Gernaat, William C.	07-01-92	Cascade	25.13	49	4,167.14	I	1,310.06
Gibson, Carol A.	07-01-92	Yellowstone	23.17	56	9,199.63	I	1,001.39
Gist, Junette S.	07-01-92	V. R.	6.56	60			62.44
Green, Jonette M.	07-01-92	Big Horn	30.00	61	16,992.84	I	1,478.67
Griffing, F. Harriet	07-01-92	Missoula	37.00	62	5,435.81	I	1,791.07
Gross, James R.	07-01-92	L & C	33.39	56	11,394.54	I	2,148.81
Gumke, Gordon G.	07-01-92	Richland	25.00	55			1,449.26
Habbe, Donald E.	07-01-92	U of M	15.00	61	40,020.00	I	1,828.71
		Excess Earnings...	767.19		II		
Habeck, James R.	07-01-92	U of M	35.82	60	12,500.00	I	2,446.42
Haggett, Martha A.	07-01-92	L & C	34.67	61	9,315.54	I	1,664.26
Halpin, F. Paul	07-01-92	Yellowstone	31.22	59	12,053.64	I	1,819.55
Hamilton, Nancy B.	07-01-92	Custer	25.00	54	5,973.00	I	1,234.00
Hand, Bob G.	07-01-92	Flathead	26.78	60	5,500.00	I	1,261.55
Hanson, Charles F.	07-01-92	Cascade	33.97	59	3,866.32	I	1,551.40
Harlin, Robert F.	07-01-92	Big Horn	30.61	54			1,976.27
Harris, Edward J.	07-01-92	Yellowstone	26.00	49	15,599.13	I	1,646.71
Hastings, Doris A.	07-01-92	Big Horn	27.66	65			1,604.32
Hatfield, Richard R.	07-01-92	Yellowstone	30.95	60	2,126.22	II	1,320.44
Hatleberg, Glenn W.	07-01-92	Gallatin	31.00	56	7,915.38	I	1,823.14
Hawbaker, Harvey R.	07-01-92	Toole	33.97	57	7,822.71	I	2,291.14
Heen, Elaine A.	07-01-92	L & C	25.22	60	7,976.27	III	1,066.10
Hemstad, Phyllis L.	07-01-92	Cascade	32.87	67	2,935.19	I	1,706.96
Hendricks, C. Sue	07-01-92	Gallatin	23.00	55	7,490.28	I	1,070.68
Hendricks, Gail R.	07-01-92	Gallatin	23.00	58	6,512.09	I	1,061.10
Heupel, Willis R.	07-01-92	Cascade	35.00	58	8,594.64	I	2,451.63
Hoffman, Phil M.	07-01-92	Yellowstone	35.00	60	13,089.06	I	1,799.13
Holland, Allyn A.	07-01-92	MSU	31.37	54	22,776.20	I	2,352.95
Holland, Deanna R.	07-01-92	Gallatin	19.33	55	4,044.05	III	439.67
Holt, Wanda M.	07-01-92	Yellowstone	16.00	63	1,677.67	I	617.35
Hove, Joyce M.	07-01-92	Toole	31.44	55	15,000.00	II	1,308.28
Huber, Diane D.	07-01-92	Silver Bow	31.00	53	16,140.19	I	1,787.21

Jacobi, Barbara B.	07-01-92	Missoula	30.00	61	2,784.40	I	1,297.95
Jacobson, Sharon J.	07-01-92	Flathead	30.00	54			1,329.72
Jellison, Clayton F.	07-01-92	Yellowstone	34.00	62	14,072.54	III	1,807.13
Jellison, Joanne M.	07-01-92	Yellowstone	25.00	47	13,141.16	I	1,490.13
Jenkins, Kenneth R.	07-01-92	Stillwater	30.00	53	13,093.37	III	1,220.39
Jensen, Margit V.	07-01-92	Cascade	32.97	55	4,039.65	I	1,591.12
Johnson, Clifford P.	07-01-92	U of M	25.00	59	400.00	III	2,377.62
Johnsten, Richard A.	07-01-92	Cascade	10.39	55			171.64
Jorgensen, Shirley H.	07-01-92	Cascade	23.29	51	1,507.28	I	963.19
Kenny, Barbara J.	07-01-92	L & C	20.57	60	5,830.70	III	869.11
Ketterling, Ervin E.	07-01-92	Teton	37.59	59	20,077.70	I	3,164.76
Killoy, Dorothy E.	07-01-92	Silver Bow	35.45	62	2,361.10	III	1,410.18
Kilwien, Lorraine I.	07-01-92	Yellowstone	25.00	47	1,705.02	I	971.83
Kintz, Charles L.	07-01-92	Dawson	29.17	52	18,733.49	II	1,689.14
Kinzler, Gordon R.	07-01-92	Richland	30.89	54			1,772.19
Knobel, Velma L.	07-01-92	Pondera	25.00	61	11,500.00	III	1,011.93
Knudsen, Gayle A.	07-01-92	L & C	25.00	47	3,502.60	I	1,362.82
Kojetin, Linda M.	07-01-92	Cascade	25.00	48	729.14	I	1,305.10
Kozeluh, Glenn A.	07-01-92	Missoula	39.67	61	7,319.21	I	2,890.77
Kozeluh, Noreen A.	07-01-92	Missoula	27.90	58	5,021.48	I	1,287.54
Krook, Marvin E.	07-01-92	Liberty	34.25	61	9,908.00	I	1,719.59
Larson, Charles J.	07-01-92	Ravalli	26.00	51	8,900.00	I	1,222.95
LeMieux, Robert T.	07-01-92	Cascade	33.00	64			1,325.66
Lenhart, Ralph L.	07-01-92	Dawson	33.94	62	6,350.34	II	1,602.22
Lewis, Edward M.	07-01-92	L & C	25.09	61	10,620.24	III	1,481.83
Lewis, Leona J.	07-01-92	Roosevelt	31.17	54	2,937.52	I	1,181.81
Lindsey, Carroll C.	07-01-92	Fergus	25.00	57	2,576.64	I	1,259.62
Lloyd, David C.	07-01-92	Rosebud	25.41	51	5,500.00	III	1,518.06
Long, William R.	07-01-92	Gallatin	27.00	49	7,880.28	I	1,345.22
Ludwig, Patricia M.	07-01-92	Liberty	25.00	57	7,516.96	I	1,172.68
Luse, Linda L.	07-01-92	Yellowstone	25.66	48	7,395.20	I	1,227.64
Malee, Thomas M.	07-01-92	L & C	33.92	61	10,496.52	I	1,632.17
Malmgren, Marie M.	07-01-92	Teton	23.00	61			1,025.81
Manning, William M.	07-01-92	U of M	37.00	59	16,436.76	I	2,265.48
Manseau, Virginia D.	07-01-92	Gallatin	26.00	56	6,773.48	I	1,225.44
Martin, Iva B.	07-01-92	Yellowstone	23.00	63	14,752.39	III	1,111.95
Maxwell, Helen P.	07-01-92	Chouteau	33.67	59	1,687.50	I	1,319.42
					10,000.00	III	
May June B.	07-01-92	Gallatin	29.22	72	7,668.05	I	1,303.89
McCammon, Lillian A.	07-01-92	L & C	27.00	63	11,344.85	I	1,498.70
McFadyean, Rita D.	07-01-92	Glacier	17.00	65	2,115.00	II	657.38
McFarland, Enid G.	07-01-92	Flathead	26.78	51	8,000.00	III	1,207.24
McKinley, William C.	07-01-92	Cascade	29.97	57	4,240.20	I	1,456.96
McMahon, Elizabeth L.	07-01-92	Deer Lodge	27.50	56			1,026.32
McNichol, Jerome C.	07-01-92	Gallatin	24.00	62	7,395.38	III	1,061.47
Means, John R.	07-01-92	U of M	28.56	61	12,829.89	I	1,729.43
Meinholtz, Rolland R.	07-01-92	U of M	27.00	55	27,170.52	I	1,510.90
Miller, C. Jeanne	07-01-92	Cascade	31.87	54	3,358.88	I	1,340.41
Miller, James A.	07-01-92	Missoula	25.32	50	13,842.80	I	1,596.22
Miller, Karen R.	07-01-92	Stillwater	25.16	49			962.85
Miller, William F.	07-01-92	Yellowstone	29.00	57	6,683.38	III	927.21
Milroy, Clifford W.	07-01-92	Custer	31.00	51	6,548.20	I	1,173.89
Montgomery, Roscoe G.	07-01-92	Gallatin	32.00	55	8,075.28	I	1,616.83
Morris, Maxine R.	07-01-92	Gallatin	29.00	58	2,714.97	I	1,544.68
Morse, Marjory H.	07-01-91	Cascade	25.66	63			355.31
Mueller, Max V.	07-01-92	Fallon	39.75	62	5,741.67	III	1,631.69
Murphy, Laurene W.	07-01-92	Flathead	28.00	57			1,220.55
Murray, Donald D.	07-01-92	Teton	31.00	54	6,705.83	I	2,124.49
Neidhardt, Henry G.	07-01-92	Ravalli	26.00	51	8,300.00	III	1,018.02
Nelson, Alice A.	07-01-92	Yellowstone	20.76	56	11,637.83	I	961.00
Nelson, George R.	07-01-92	Yellowstone	40.08	64	31,805.01	I	3,025.48

Nelson, Iona J.	07-01-92	Valley	36.39	60	4,000.00	I	1,597.70
Nelson, Leland R.	07-01-92	MSU	31.00	55	17,483.19	I	2,298.14
Nelson, LuAnn L.	07-01-92	Big Horn	23.33	71	14,398.64	I	981.95
Nelson, Paul E.	07-01-92	Gallatin	31.11	54	7,750.28	I	1,450.85
Nelson, V. Ardell	07-01-92	L & C	28.00	62	6,496.40	I	1,224.05
Nelstead, Verene O.	07-01-92	Yellowstone	34.00	I	13,183.06	I	1,719.37
Nemes, Lois E.	07-01-92	Blaine	19.31	65			451.45
Nickelson, Robert L.	06-01-92	MSU	37.50	65	15,280.11	I	2,614.70
Noble, John H.	07-01-92	State Dept	27.50	50	62,803.68	I	3,139.00
O'Brien, Elizabeth M.	07-01-92	Blaine	25.00	67	3,585.80	I	1,094.29
Officer, Marion E.	07-01-92	Fergus	20.00	65			401.85
Ohanesian, Sam J.	07-01-92	Toole	27.00	54			1,093.01
Olds, Virginia L.	07-01-92	Carbon	12.00	58	1,750.00	III	430.80
Olson, Judith E.	07-01-92	Park	32.67	55	12,134.50	I	1,740.34
Olson, Shirley M.	07-01-92	Yellowstone	28.00	59	2,121.18	I	1,286.66
Oman, David H.	07-01-92	Toole	22.79	50			801.93
Orr, Charlotte A.	07-01-92	Gallatin	27.00	53	7,278.05	I	1,312.16
Orr, Richard T.	07-01-92	Gallatin	32.00	54	7,720.38	I	1,543.95
Overstreet, Marlin C.	07-01-92	Roosevelt	31.00	53	3,449.60	I	1,349.92
Palagi, George H.	07-01-92	Yellowstone	37.33	61	16,655.71	I	1,976.34
Parker, Koleen J.	07-01-92	Yellowstone	25.00	51	9,556.84	I	1,391.88
Pascoe, Jane M.	07-01-92	Silver Bow	23.42	62	12,902.49	I	1,160.44
Pearson, James M.	07-01-92	Lake	24.00	54	2,677.50	I	1,027.33
Pearson, Lora M.	07-01-92	Lake	24.00	54	967.50	I	889.90
Peretti, James W.	07-01-92	Cascade	21.00	60	4,297.50	I	946.24
Pewonka, Joye R.	07-01-92	Phillips	25.87	49	10,185.44	III	1,009.42
Pickett, James M.	07-01-92	MSU	28.89	55	25,816.32	I	2,895.60
Poole, Donald R.	07-01-92	Gallatin	25.00	52	10,083.50	I	1,070.29
Prescott, Jane H.	07-01-92	Sheridan	18.00	52	435.90	II	413.44
Puckett, Gordon R.	07-01-92	Toole	32.00	52	2,131.50	III	1,659.65
Pugh, Jerry E.	07-01-92	Phillips	32.84	60	6,507.70	III	1,041.27
Rapkoch, Ann C.	07-01-92	Fergus	19.22	65			727.22
Reardon, Stephen J.	07-01-92	Silver Bow	33.95	63	16,435.87	I	1,961.95
Reinsel, Anne L.	07-01-92	Missoula	18.00	57	7,714.44	I	717.61
Riedlinger, James H.	07-01-92	Missoula	14.92	51	8,786.00	I	595.51
Robbins, Patricia M.	07-01-92	Gallatin	25.69	55	7,320.28	I	1,233.66
Roberts, Thomas J.	07-01-92	Missoula	40.07	62	30,000.00	III	3,113.16
Robertson, Barbara E.	07-01-92	L & C	25.00	48	12,368.87	I	1,548.09
Rouse, Dorothy L.	07-01-92	Ravalli	35.56	62	650.00	III	1,518.87
Ruff, Harley R.	07-01-92	Pondera	27.00	49	6,184.00	I	1,662.24
		Excess Earnings			526.00	II	
Ryan, Joyce D.	07-01-92	Toole	26.45	52			1,051.12
Sandborgh, Gladys	07-01-92	Silver Bow	26.00	69	16,459.52	I	1,482.39
Sanford, Richard C.	07-01-92	Cascade	35.95	60	2,320.65	I	1,720.51
Schaal, Robert C.	07-01-92	Flathead	31.38	58	16,593.63	I	2,001.28
Schaeffer, Jurgen R.	07-01-92	MSU	35.00	65	39,201.10	I	2,223.88
		Excess Earnings			4,402.00	I	
Schaible, James A.	07-01-92	Cascade	25.00	49	1,731.03	III	1,200.82
Schmidt, Ervin E.	07-01-92	Valley	25.00	54			999.36
Schroeder, Virginia F.	07-01-92	Big Horn	32.44	63	700.00	I	1,206.23
Scott, Palmer M.	07-01-92	Missoula	42.16	62	6,852.87	I	3,011.75
Seeley, Jean E.	07-01-92	Yellowstone	40.00	64	12,016.59	I	2,001.19
Severns, Mary R.	07-01-92	Cascade	20.09	60	2,281.69	I	973.58
Shambo, Jean M.	07-01-92	Blaine	17.00	59	2,646.38	II	573.75
Shauer, JvVonne A.	07-01-92	Yellowstone	36.00	62	12,297.25	I	1,515.17
Sherman, Mary J.	07-01-92	Big Horn	29.34	56			1,377.62
Sieler, David E.	07-01-92	Yellowstone	28.56	66	11,108.23	I	1,230.26
Siemers, Joan L.	07-01-92	Yellowstone	18.93	60	4,517.36	III	758.29
Simonsen, Connie R.	07-01-92	Yellowstone	21.24	60	8,015.57	I	976.59
Smith, Gary D.	07-01-92	Blaine	34.00	57	4,185.00	I	1,954.56
Smith, Ronald A.	07-01-92	Sheridan	25.00	49			1,068.55

Spiegle, Edward F.	07-01-92	Deer Lodge	36.00	59	3,174.00	II	1,810.04
Springer, Lorna M.	07-01-92	Chouteau	38.00	59	10,000.00	II	1,548.16
					1,687.50	I	
Stabio, David T.	07-01-92	Custer	30.00	52	7,440.00	III	1,910.21
Stewart, Sandra J.	07-01-92	L & C	30.67	56	6,093.24	III	1,725.12
Stone, John B.	07-01-92	V. R.	21.00	57	625.00	II	331.85
Stratton, James A.	07-01-92	Yellowstone	29.00	56	15,591.22	I	1,740.42
Stubbs, Raymond D.	07-01-92	Gallatin	23.25	58	7,590.38	I	985.66
Sullivan, A. Darlene	07-01-92	Gallatin	36.00	61	7,629.05	I	1,642.48
Sullivan, Gary G.	07-01-92	Gallatin	24.00	55	5,992.60	I	926.27
Swanson, Robert L.	07-01-92	Toole	30.00	57	1,413.75	I	1,373.07
Thibeault, Ruth V.	07-01-92	Gallatin	29.36	67	2,864.60	I	1,490.56
Thomas, Hazel M.	07-01-92	L & C	19.00	63	342.00	III	546.35
Thomas, Merle C.	07-01-92	Pondera	12.97	62			659.22
Thompson, Margaret E.	07-01-92	Carbon	24.89	61	7,824.20	I	959.17
Tidwell, Diane D.	07-01-92	Lake	26.00	52	3,622.50	I	1,195.38
Tinsley, Glenda M.	07-01-92	Cascade	26.41	62	4,168.58	I	1,297.93
Tompkins, Alice M.	12-01-85	V. R.	7.74	50			82.23
Townsend, Beverly A.	07-01-92	Gallatin	24.47	52	7,274.60	III	1,078.85
Trangmoe, John N.	07-01-92	Dawson	35.00	55	13,989.00	III	1,733.83
Tucker, Luetta M.	07-01-92	Cascade	11.00	63			462.04
Vik, Emma J.	07-01-92	Sheridan	27.00	59	1,681.83	I	841.65
Volbrecht, Frances W.	07-01-92	Richland	31.78	68	3,926.90	II	1,131.46
Wagner, Ralph C.	07-01-92	Big Horn	25.00	48	1,700.00	III	910.76
Walsh, John T.	07-01-92	Flathead	30.00	55	17,714.57	III	1,511.60
Wangrud, Jean A.	07-01-92	Lincoln	14.13	58	4,221.53	III	368.34
Warren, Cecil L.	07-01-92	L & C	30.00	55	16,375.29	I	2,422.72
Wells, Lois M.	07-01-92	Cascade	35.97	62	4,168.58	I	1,867.10
Wempner, Mary L.	07-01-92	Yellowstone	25.00	65	6,900.65	I	1,187.23
Wilkinson, Fenwell L.	07-01-92	Dawson	28.00	51	13,323.00	III	1,280.90
Williams, Glenn A.	07-01-92	Rosebud	18.54	65	4,338.00	II	731.06
Williamson, Phyllis B.	07-01-92	Cascade	35.00	57	7,724.62	I	2,337.51
Williamson, Ralph C.	07-01-92	L & C	25.08	56	8,944.94	I	1,329.78
Yager, John D.	07-01-92	Jefferson	25.17	47	648.05	I	1,150.19
Yates, Marceline B.	07-01-92	Hill	29.00	65	7,419.40	I	1,520.07
Ziegenhagen, Jere L.	07-01-92	Lincoln	27.50	54	16,887.00	III	1,242.64
Ziegenhagen, Sharon E.	07-01-92	Lincoln	25.00	47	22,000.00	III	1,129.67

SURVIVOR APPLICATIONS - JULY 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Milzoff, Irene Ann	07-01-91	EMC	12.00	46			492.02
Survivor of Aaron H. Hause				55			
Peterson, Helen	05-01-92	Park	30.88	54	12,134.50	III	1,410.93
Survivor of Eugene M. Peterson				57			

ADJUSTMENTS - JULY 1992

	RETRO TO	FROM	TO
Kennerly, Joan E. Decrease in benefits per Executive Secretary: removed from Normal Form & placed in Option B.	02-01-92	1,744.38	1,550.58
Martin, Jeremiah J. Decrease in benefits to reflect use of actual salaries as reported for 1990, 91, & 92.	05-01-92	2,268.35	2,139.87
Wollersheim, Janet P. Increase in benefits to reflect use of retroactive settlement for salary & term pay.	01-01-92	1,448.13	1,464.75

RETIREMENT APPLICATIONS - AUGUST 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Alberta, Linda J.	08-01-92	Carbon	27.97	52	4,113.00	I	1,084.78
Alberta, Richard	08-01-92	Carbon	29.92	59	4,193.00	I	1,446.17
Amberson, Max L.	08-01-92	MSU	33.61	59	3,300.00	I	3,216.88
Anderson, Patsy M.	07-01-92	Lake	31.00	55	3,150.00	I	1,427.23
Cao, Than Van	08-01-92	EMC	12.11	60	5,308.00	I	714.22
Colver, Rosemary E.	07-01-92	Yellowstone	20.00	65	3,840.20	III	871.53
Foos, Rowena B.	08-01-92	Yellowstone	24.61	66	25,179.98	I	1,992.62
Hart, Lee I.	07-01-92	MSU	29.22	52	9,581.67	I	1,465.39
		Excess Earnings			7,321.00	II	
Herron, Jack R.	07-01-92	Flathead	31.00	59	5,325.34	I	1,649.78
Morhardt, Larry D.	07-01-92	Glacier	31.00	51	2,337.50	II	1,945.70
Mundy, Bradford P.	07-01-92	MSU	26.00	54	18,364.90	I	2,244.25
		Excess Earnings			1,539.00	II	
Myers, Lyle L.	08-01-92	MSU	26.61	54	24,721.00	I	2,030.34
Peters, Marietta	05-01-92	V. R.	17.00	60			235.33
Powers, Margaret H.	07-01-92	Yellowstone	20.67	68	4,820.27	I	1,045.45
Rauch, Ellen I.	07-01-92	L & C	20.00	51	5,128.45	I	587.99
Rauch, Rose	07-01-92	Cascade	42.97	65	4,275.00	I	2,215.84
Ray, Harry E.	08-01-92	U of M	29.04	57	10,753.84	I	1,730.54
Scott, Ronald H.	07-01-92	Glacier	25.06	48	2,425.00	III	1,271.34
Shontz, William D.	08-01-92	V. R.	20.22	60	14,628.85	II	921.78
Struck, Eleanor L.	07-01-92	Cascade	30.00	65			509.66
Sundquist, Shirley J.	07-01-92	Cascade	18.28	60	1,728.53	III	642.92

SURVIVOR APPLICATIONS - AUGUST 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Beckman, Marjorie F. Survivor of Donald C. Beckman	07-01-92	NMC	5.67	66 68	1,765.38	II	196.09

ADJUSTMENTS - AUGUST 1992

	RETRO TO	FROM	TO
Burdette, James R. Increase in benefits to reflect use of actual salary.	06-01-92	706.70	713.39
Copple, C. Rockne Increase in benefits to reflect use of additional salary & termination pay.	01-01-92	2,361.90	2,394.02
Evans, Gary F. Decrease in benefits to reflect use of actual salary.	06-01-92	2,121.76	2,087.23
Gruber, Richard J. Increase in benefits to reflect use of additional salary & termination pay.	01-01-92	2,299.68	2,333.68
Lewis, Edward M. Decrease in benefits to reflect use of actual salary.	07-01-92	1,481.83	1,474.74
Meyers, Christene C. Increase in benefits to reflect use of additional salary & termination pay.	03-01-92	992.15	1,001.50
Morhardt, Larry D. Decrease in benefits to reflect use of actual salary.	07-01-92	1,945.70	1,911.44
Ziegler, James D. Increase in benefits to reflect use of additional salary & termination pay.	09-01-91	1,426.85	1,434.35

TEACHERS' RETIREMENT BOARD MEETING

November 19, 1992

Chairman Cowan called the meeting to order at 1:05 p.m. in the Conference Room of the Department of Commerce. Those present were:

Jim Cowan, Chairman
John Kranick, Vice-Chairman
W. Craig Brewington
Nancy Trackwell
David L. Senn, Executive Director
Gary Warren, Assistant Executive Director

Nancy Keenan and E. Joseph Cross were absent.

Others present were:

David Gould
David Evensen, CHE
Craig Roloff, Montana State University
R. Paul Schrader, Buck Consultants
Thomas Bleakney, Milliman & Robertson
Tom Bilodeau, MEA

Optional Retirement Report, Buck Consultants. R. Paul Schrader, consulting actuary with Buck Consultants, presented the results of their actuarial analysis of the Optional Retirement Program for employees of the Montana University System. The Optional Retirement Program study was authorized by the 1991 Legislature to review issues related to the appropriate Montana University System employer contribution to fund the unfunded liabilities attributable to the Montana University System faculty.

The Buck Report found that Montana University System (MUS) employees participating in Teachers' Retirement System, when viewed as a separate entity within Teachers' Retirement System, were projected to require a shorter funding period, when compared to non-MUS employees, if the present reimbursement rate of 4.503% of compensation is continued and would require a longer funding period if no future contributions were made. The report concluded that the Teachers' Retirement System is at virtually the same funded status as if the Optional Retirement Program had never been implemented. And that no noticeable effect to Teachers' Retirement System has accrued due to new employees electing the Teachers' Retirement System or due to the 4.503% reimbursement policy.

The Buck Report recommended that: the Teachers' Retirement System be separated into two fund balances for MUS participants and non-MUS participants, the current contribution rate by the MUS of 4.503% be reduced to 2.958%, and the future allocation of assets in Teachers' Retirement System be based upon experience of the MUS and non-MUS participants. The Report further recommended that the

contribution rate paid by MUS to the Teachers' Retirement System to amortize unfunded liabilities be adjusted at the time of each future actuarial valuation that would result in the amortization of the unfunded liabilities for the MUS portion of Teachers' Retirement System having exactly the same funding period as the Teachers' Retirement System non-MUS participants.

David Evensen, Director of Benefits, Montana University System, asked that the Board consider an alternative that would provide for guaranteed funding by the MUS of their obligations to Teachers' Retirement System at the rate of 2.503% for an amortization period not to exceed forty years. Mr. Evensen proposed this rate be reviewed at every third actuarial valuation and adjusted as necessary. All new faculty would be required to join the Optional Retirement Program, thus avoiding any impact of adverse selection against the Teachers' Retirement System and increasing the MUS's unfunded liabilities. However, any new faculty who are currently Montana public employees, participating in either the Teachers' Retirement System or Public Employees Retirement System, would be required to remain members of their respective system. Also, the MUS proposed that the total contribution to the Optional Retirement Program be increased to a minimum of 12%, defined as 6% employer and 6% employee contribution.

The Board discussed the Optional Retirement Program Report as presented by Paul Schrader and the proposals made by Mr. David Evensen. Due to time constraints, the Board postponed any action on Mr. Evensen's proposal until the following day.

Board of Investments Report, James Penner. James Penner, Chief Investment Officer of the Board of Investments was present to review with the Teachers' Retirement Board the fund's investment experience during the preceding fiscal year, as well as his projections for the future. Mr. Penner noted that the market value of the Teachers' Retirement System assets had just exceeded $1 billion. Mr. Penner proceeded to review the investment performance of the Teachers' Retirement System during the preceding fiscal year, as well as his immediate and long-term expectations for the fund. The Board Chairman thanked Mr. Penner for his presentation and Mr. Penner departed the meeting.

Approval of Applications and Benefits. The Teachers' Retirement Board meeting was closed to the public because of the sensitive nature of the information, and because the individual's right to privacy outweighed the public's right to know. The Board reviewed the applications for regular and survivor benefits, as well as adjustments. Mr. Kranick moved to approve the applications for regular and survivor benefits and the adjustments presented by staff. Mr. Brewington seconded the motion, which carried.

Disability Applications. The Board reviewed the disability application and attending physician's information for Isabel B. Fouts. Mr. Brewington moved to deny Ms. Fouts' application for disability retirement benefits. Ms. Trackwell seconded the motion,

which carried. The Board postponed action on Mr. French's application, pending receipt of additional information.

At 3:15 p.m. the Teachers' Retirement Board meeting was called back to order and opened to the public.

Approval of Minutes for September 11, 1992. The Chairman asked if there were any corrections or additions to the minutes of September 11, 1992. Mr. Brewington called the Board's attention to three typographical errors: on page one, **University System - 10% Cap**, "descending" should be changed to read "dissenting." On page three, **Legal Counsel Report**, first paragraph, last sentence, "Choteau" county should be changed to "Chouteau" county. Also on page three, second sentence, "the approved" should be stricken. Chairman Cowan asked that the last sentence on page two be corrected to read "He recommended to the Board that they oppose any change in compensation reported to the Teachers' Retirement System." Mr. Brewington moved to approve the minutes as corrected. Mr. Kranick seconded the motion, which carried.

NCTR Conference Report. Messrs. Cowan, Kranick, and Senn presented a brief report on the NCTR Conference in September.

Election of Officers. Mr. Brewington moved to maintain the current elected officers for another term, with Jim Cowan to remain as Chairman and John Kranick as Vice-Chairman. Ms. Trackwell seconded the motion, which carried.

The meeting was recessed until Friday morning, November 20, 1992 at 9:00 a.m.

Teachers' Retirement Board was called back to order by Chairman Cowan at 9:00 a.m. on Friday, November 20, 1992 in the Board Room of the Department of Natural Resources. Those present were:

Jim Cowan, Chairman
John Kranick, Vice-Chairman
W. Craig Brewington
E. Joseph Cross
Nancy Trackwell
David L. Senn, Executive Director
Gary Warren, Assistant Executive Director
Brenda Nordlund, Teachers' Retirement System Legal Counsel

Nancy Keenan was absent.

Others present were:

David Evensen, CHE
Craig Roloff, Montana State University
Thomas Bleakney, Milliman & Robertson
Tom Bilodeau, MEA
Alvee Thomas

Thomas M. Bleakney, consulting actuary for Milliman & Robertson, was present to review the actuarial valuation of the Teachers' Retirement System for the period ending June 30, 1992. Following the report of Mr. Bleakney and questions from the Teachers' Retirement Board, the Chairman thanked Mr. Bleakney for his comprehensive report.

Old Business.

Legislation. The Executive Director briefly reviewed the three legislative proposals requested by the Teachers' Retirement Board.

Tom Bilodeau, MEA researcher, presented two legislative proposals which were the result of a coalition of employee and employer representatives, known as the Public Employee Pension Security Coalition, or PEPSCo. Their first proposal would present the Montana electorate with a constitutional amendment to protect public pension funds from raids or underfunding. PEPSCo's second piece of legislation calls for a guaranteed annual benefit adjustment (GABA) for both Public Employees' Retirement System and Teachers' Retirement System benefit recipients. This would be an annual compounding 2% adjustment to help defray the adverse impact of inflation on the buying power of pension benefits. Mr. Brewington moved to direct the Executive Director to testify in support of the two legislative proposals presented by the Public Employee Pension Security Coalition. Mr. Kranick seconded the motion, which carried.

The Executive Director advised the Board that the request to allow members of the Teachers' Retirement System hired after 1971 to receive credit at no cost for active duty service during the Korean Conflict had been reviewed by the System actuary. The actuary estimates 89 members may be eligible to receive credit under this proposal. If all 89 members received an average of three years credit at no cost, and if the current contribution rate was unchanged, the enhancement would lengthen the unfunded liability amortization period from 34.9 years to 35.0 years. The actuary recommended no increase in the current contribution rate. Ms. Trackwell moved to support the Korean Conflict service credit, with no enhancement in current contribution rate. Mr. Cross seconded the motion, which carried.

Legal Counsel Report. Arneson v. Teachers' Retirement System, Ms. Nordlund advised the Board that oral arguments had been heard before the Montana Supreme Court on November 16, 1992, and that no decision was expected until after the first of the year. Sheehy v. State of Montana Teachers' Retirement System, et al, Ms. Nordlund advised the Board that Sheehy had appealed the District Court ruling to the Montana Supreme Court and that briefs were due in December, and, again, that no decision was expected until sometime next year.

Recovery of Overpayment, Louis Karhi. Ms. Nordlund reminded the

Board that Mr. Karhi had proposed that the Board accept an assignment against his life insurance policy for the repayment of benefits received in error. Upon review of the information supplied by Mr. Karhi and review of his life insurance policies, it appears that his life insurance policies have a value of approximately $2,800.00, which is inadequate to cover the $24,755.00 overpayment. After a brief discussion, Mr. Brewington moved that the attorney write Mr. Karhi, advising him that he has until January 30, 1993 to provide Teachers' Retirement System with a verified financial statement, detailing his current assets and liabilities, so the Board can determine what additional means could be utilized to repay the benefit overpayment. The Board will review Mr. Karhi's file during its February 1993 Board meeting to discuss what appropriate recourse should be taken to recover the full amount due, and advise Mr. Karhi that the filing of a lawsuit or the suspension of the retirement benefit are both within the realm of possible actions the Board could take. Mr. Kranick seconded the motion, which carried.

Restoration of Service Not Reported, Dr. Terry Anderson, Montana State University. The Executive Director explained that on two occasions Dr. Terry Anderson had taken a leave-of-absence without pay from Montana State University, and upon his return to employment, was inadvertently not reported to the Teachers' Retirement System. The Executive Director stated that in his initial conversations with Craig Roloff, Assistant Vice-President for Montana State University, he had discussed the possibility of the Board accepting the employer contribution only and granting Dr. Anderson partial credit for the years that had not been reported.

Mr. Roloff explained that approximately 6.7 years had not been reported to the Teachers' Retirement System, and that if the employer contributions were paid on behalf of Dr. Anderson, he should receive some credit for the contributions made.

Legal Counsel for Teachers' Retirement Board, Brenda Nordlund, advised against granting partial service credit upon receipt of the employer contributions only. It was her concern that the System is due both employee and employer contributions, and it was the obligation of Montana State University to see that the contributions were withheld and reported to the Teachers' Retirement System.

Mr. Brewington moved to grant full service credit to Dr. Terry Anderson upon payment of both employee and employer contributions, plus interest, due the Teachers' Retirement System. Mr. Kranick seconded the motion, which carried.

Salaries Reported for Administrative Personnel, Shelby, Montana. The Executive Director advised the Board that a local resident of Shelby had written the Board concerned that Administrators contracts from the Shelby School District had included up to $3,000.00 per year in lieu of employer paid health insurance for the purpose of reporting enhanced salaries to the Teachers'

Retirement System. After a brief discussion, Mr. Kranick moved to defer any action on the issue until the next Board meeting, pending receipt of additional information and copies of Shelby School District Board minutes. Mr. Cross seconded the motion, which carried.

Payment of Benefits for a Limited Term. Mr. James Stephens has requested that the Board approve optional retirement benefits under Option F, which would provide benefits for a specific, limited term after which term benefits would cease. Under Option F, the Board may approve an option paying the actuarial equivalent benefit for the lifetime of the member. Since Mr. Stephens request is for a period less than his lifetime, staff had denied Mr. Stephens request for an estimate of retirement benefits. After a brief discussion, Mr. Cross moved to deny Mr. Stephen's request for a limited term certain retirement benefit. Mr. Kranick seconded the motion, which carried.

Deduction of Dues for the Montana Retired Teachers Association. The Executive Director presented a letter to the Board from Gladys M. Peterson, President of Montana Retired Teachers Association, asking that the Board authorize the deduction of dues for the Association. Following a brief discussion, Ms. Trackwell moved to deny the request. Mr. Brewington seconded the motion, which carried with Mr. Kranick abstaining.

Optional Retirement Program. The Chairman reopened the discussion of issues raised by Mr. David Evensen the preceding day, regarding proposed changes to the Optional Retirement Program and contributions to the Teachers' Retirement Board. After a brief discussion, Mr. Brewington moved to endorse the proposal made by Mr. Evensen providing for a new schedule to amortize the unfunded liabilities as determined by the System's actuary over a period not to exceed forty (40) years. Mr. Kranick seconded the motion, which carried.

The meeting was adjourned for lunch. At 1:15 p.m., Vice-Chairman Kranick called the meeting back to order. Chairman Cowan had other obligations with the Board of Investments and was unable to attend the afternoon meeting.

Request to Change Beneficiary Designation for Death Benefits, Estate of Jon Keefe. At this point, Grant Parker and Jeanne Geraghty joined the meeting. The Executive Director explained that Mr. Jon Keefe had passed away, leaving as his nominated beneficiary his former spouse, Ann Copper. Mrs. Geraghty, the current spouse, advised the Teachers' Retirement System that both she and Jon Keefe, shortly after they were married, completed change of beneficiary forms and submitted them to the payroll office for their employer to forward to the Teachers' Retirement System. Mrs. Garaghty's legal counsel, Grant Parker, presented affidavits to the Teachers' Retirement Board from the payroll office stating that they recall Mr. Keefe and Mrs. Garaghty completing the change of beneficiary forms, nominating each other as the beneficiaries of

Teachers' Retirement System benefits. Mr. Keefe's divorce decree from his former spouse also stated that he was to maintain his Teachers' Retirement System benefit. His former spouse has also filed an affidavit, relinquishing any and all rights to benefits under the Teachers' Retirement System. Following a brief discussion, Mr. Brewington moved that the Board recognize the intent to change beneficiaries, as documented by the evidence presented, and to recognize Jeanie Geraghty as the nominated beneficiary on the account of Jon Keefe. Ms. Trackwell seconded the motion, which carried.

Next Board Meeting. The next Board meeting of the Teachers' Retirement System was scheduled for February 19, 1993, pending call of the chair.

The meeting was adjourned.

Chairman

Executive Director

CONFERENCE CALL MINUTES
TEACHERS' RETIREMENT SYSTEM
DECEMBER 22, 1992

The conference call of the Teachers' Retirement System was called to order at 8:42 a.m. on December 22, 1992. Those participating were:

Jim Cowan, Chairman
John Kranick, Vice-Chairman
E. Joseph Cross
Craig Brewington
Nancy Trackwell
David Senn, Executive Director
Gary Warren, Assistant Executive Director

Disability Application, William French. The Chairman called the conference call of the Teachers' Retirement System to order for the purpose of discussing the disability application of William French. Because the privacy of the individual outweighed the public's right to know, the meeting was immediately closed. At 8:55 a.m. the meeting was re-opened for the purposes of considering Mr. French's application. Mr. Kranick moved to approve the application of William French for disability retirement benefits. The motion was seconded by Mr. Brewington, which carried.

The conference call of the Teachers' Retirement Board was adjourned at _____ a.m.

Chairman

Executive Director

RETIREMENT LISTING

RETIREMENT APPLICATIONS - SEPTEMBER 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Fenton-Beaman, Judith	07-01-91	V. R.	25.71	49			1,559.48
Fisher, Doris M.	07-01-92	L & C	8.97	58			253.79
Fleming, Frank J.	08-01-92	L & C	25.00	47			879.40
Hampton, H. Duane	09-01-92	U of M	30.22	60	14,000.00	I	2,138.81
Larson, Agnes S.	08-01-91	V. R.	11.00	60			110.00
McDermott, Leo E.	08-01-92	V. R.	21.59	50	6,771.09	II	713.70
Melear, Junaita C.	08-01-92	V. R.	5.00	60			105.91
Reichmuth, Ediltrudis E.	08-01-92	MSU	22.44	61	7,116.00	III	986.30
Rudio, Jack L.	09-01-92	Missoula	28.18	52	12,113.64	III	2,030.68
Tippett, Kay A.	07-01-92	Gallatin	23.00	54			1,016.99

SURVIVOR APPLICATIONS - SEPTEMBER 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Blank, Linda C.	08-01-92	U of M	25.00	51	10,658.90	I	1,514.92
Survivor of John C. Ellis				48			
Blinn, Michael R.	08-01-92	Ravalli	12.00	45			381.40
Survivor of Mary E. Blinn				42			
Fletcher, Beth Anne	09-01-92	L & C	20.00	41	385.47	I	815.36
Survivor of Daniel C. Fletcher				46			
Stetson, Joyce	08-01-92	U of M	30.25	52	8,377.84	I	1,405.23
Survivor of Frederick A. Stetson				58			
Strissel, Scott A.	06-01-92	V. R.	8.00	32			84.41
Survivor of Joan D. Strissel				57			
Strissel, Steven J.	06-01-92	V. R.	8.00	34			84.86
Survivor of Joan D. Strissel				57			

ADJUSTMENTS - SEPTEMBER 1992

	RETRO TO	FROM	TO
Biver, Thomas W. Increase in benefits to reflect use of termination pay under Option II.	07-01-92	934.18	935.59
Bowman, Darrell E. Increase in benefits to reflect use of actual 1991-92 salary.	07-01-92	1,641.11	1,646.04

Brusven, Lavern E. Increase in benefits to reflect use of actual salary for 1991-92.	07-01-92	1,479.27	1,487.22
Coffin, Arthur B. Increase in benefits to reflect use of actual summer earnings for the 1991-92 school year.	07-01-92	1,864.61	2,014.11
Habbe, Donald E. Increase in benefits to reflect exemption of excess earnings per Board meeting of 09-11-92	07-01-92	1,830.18	1,850.83
Hatleberg, Glenn W. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,823.14	1,870.37
Holt, Wanda M. Decrease in benefits to reflect use of actual salary reported for the 1991-92 school year.	07-01-92	617.35	614.54
Morris, Maxine R. Increase in benefits to reflect use of actual 1991-92 salary reported.	07-01-92	1,544.68	1,553.78
Noble, John H. Decrease in benefits to reflect actual salary and term pay per board ruling on Sept. 11, 1992.	07-01-92	3,139.00	3,138.60
Pascoe, Jane D. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,160.44	1,170.05
Pickett, James M. Increase in benefits to reflect use of actual salary reported for the 1991-92 school year and actual termination pay.	07-01-92	2,895.60	3,032.03
Poole, Donald R. Increase in benefits to reflect use of actual 1991-92 salary.	07-01-92	1,070.29	1,076.25

Robertson, Barbara E. Decrease in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,548.09	1,511.61
Sullivan, A. Darlene Increase in benefits to reflect use of actual salary for 1991-92.	07-01-92	1,642.48	1,655.82

RETIREMENT APPLICATIONS - OCTOBER 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Baenen, Raymond J.	10-01-92	Lincoln	20.78	50			637.20
Burt, Barbara A.	07-01-92	Powell	17.25	60	1,444.24	I	496.74
Carsone, Elmer J.	10-01-92	Deer Lodge	39.08	62	3,124.00	II	2,118.22
Malyevac, Gary F.	09-01-92	Silver Bow	26.09	52	13,972.57	I	1,368.80
Pourroy, Mary L.	07-01-91	V. R.	15.14	62			239.90
Steinebach, Russell F.	07-01-92	Meagher	24.60	48	729.60	II	1,129.13

SURVIVOR APPLICATIONS - OCTOBER 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Characklis, Nancy C. Survivor of William G. Characklis	07-01-92	MSU	13.00	50 51	5,264.93	I	1,324.12

ADJUSTMENTS - OCTOBER 1992

	RETRO TO	FROM	TO
Beck, Buford L. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	2,157.67	2,171.02
Christianson, Jeanette V. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	394.73	399.62
Gibson, Carol A. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,001.39	1,002.68

Habeck, James R. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	2,457.87	2,505.58
Halpin, F. Paul Decrease in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,819.55	1,817.63
Hart, Lee I. Increase in benefits to reflect use of excess earnings under Option I.	07-01-92	1,465.39	1,554.26
Hemstad, Phyllis L. Increase in benefits to reflect use of the 1989-90 school year salary.	07-01-92	1,706.96	1,720.74
Heupel, Willis R. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	2,451.63	2,468.58
Kozeluh, Glenn A. Increase in benefits to reflect use of actual salary reported for the 1990-91 school year.	07-01-92	2,890.77	2,896.25
Luse, Linda L. Decrease in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,227.64	1,223.56
Meinholtz, Rolland R. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,510.90	1,542.79
Nelson, Alice A. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	961.00	972.46
Stratton, James A. Decrease in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,740.42	1,732.15

TEACHERS' RETIREMENT BOARD MEETING

February 19, 1993

Chairman Cowan called the meeting to order at 9:00 a.m. in the office of the Teachers' Retirement System. Those present were:

Jim Cowan, Chairman
John Kranick, Vice-Chairman
W. Craig Brewington
E. Joseph Cross
David L. Senn, Executive Director
Gary E. Warren, Assistant Director
Kelly Jenkins, Legal Counsel

Nancy Trackwell and Nancy Keenan were absent.

Others present were:

David Loughran
John Trangmoe

Approval of minutes for November 19 and 20, 1992, and conference call of December 11, 1992. Chairman Cowan asked if there were any corrections or additions to the minutes as presented. The Director noted that the next meeting date was listed as November 19, 1993, but should have been February 19, 1993. Mr. Brewington moved to approve the minutes as corrected. Mr. Kranick seconded the motion, which carried.

Financial Statement, Budget Report, Investment Report. The Executive Director reviewed the reports as presented, noting that the return on investments was continuing to decline, and that the anticipated yield for fiscal year 1993 of 8.73% would still provide a return just slightly over the actuarial assumed rate of 8%.

Report on New Computer System. Rod Sheppard, Data Processing Manager, reviewed the current status of the new system being installed. Mr. Sheppard reported that the system design and installation was on schedule and within budget. He also reported that the bids for equipment came in approximately $8,000.00 below the amount budgeted. With the savings, we were able to contract with Digital Equipment Corporation for additional installation support. Following a brief discussion, the Chairman directed that the reports, as presented, be accepted.

Executive Director's Report. In addition to written report submitted to the Board, the Executive Director noted that field work had been completed by the Legislative Auditor's Office, and that no significant problems or concerns had been brought to our attention. He also reported that this year he had again been appointed to the Legislative Committee of the National Council on Teachers' Retirement.

Legal Counsel Report. Kelly Jenkins, Legal Counsel, Department of Administration, reported in place of Brenda Nordlund, who was unable to attend. Mr. Jenkins reported on two lawsuits currently before the Montana Supreme Court. In the first case, Sheehy v. State of Montana, et al, Mr. Jenkins advised the Board that all briefs had been filed, and we were waiting to hear from the Court when oral arguments would be scheduled. The second case before the Montana Supreme Court was Arneson v. Teachers' Retirement System. Oral arguments had been heard before the Supreme Court in December, and we were still awaiting a decision.

Mr. Jenkins reported on the overpayment of retirement benefits to Mr. Louis Kahri. Mr. Jenkins explained that Mr. Kahri had received an overpayment in retirement benefits of $24,795.68. Legal Counsel and staff had been working with Mr. Kahri to make restitution of the overpayment and had received a proposal from Mr. Kahri to accept life insurance policies. This proposal was discussed with the Board prior to receipt of the policies. However, subsequent to the Board meeting, it was discovered the life insurance policies were worth less than $3,000.00. In November the Board directed Counsel to contact Mr. Kahri requesting a complete financial statement. Mr. Jenkins advised the Board that Mr. Kahri had obtained legal counsel, but had yet to provide the financial statements or any indication that he had current assets sufficient to cover the amount due to the Teachers' Retirement System.

Mr. Jenkins advised the Board that not only did they have the fiduciary duty to recover the overpayment, but also a clear statutory responsibility to recover any overpayment. He recommended the Board withhold future payments if we cannot arrive at some sort of amicable resolution with Mr. Kahri. Following a brief discussion, Mr. Brewington moved to withhold all future payments until a proposal for repayment of the amount due the Teachers' Retirement System was agreed upon, and also to pursue any possible claim against the bank who accepted state warrants made payable to both Mr. and Mrs. Kahri. Mr. Cross seconded the motion, which carried.

Legislative Status Report. The Executive Director reported in detail on each of the eighteen bills that he had been monitoring during the session. He reported that two bills had been signed by the Governor, six had been tabled or failed to pass, four had been re-referred to the House Appropriations Committee, and six were still moving through the system.

At this point, the Executive Director left the meeting to testify on Senate Bill 407.

Salaries Reported by the Shelby Schools. Gary Warren reported that the questions raised concerning salaries reported for administrators of Shelby School District had been answered to the satisfaction of staff and legal counsel. Following a brief discussion, the Chairman directed that no further action be taken.

Delinquent Agency Report. Gary Warren advised that the delinquent agency status report would be a regular report at all future meetings of the Teachers' Retirement Board. He submitted a report to the Board of the agencies that were currently more than two months delinquent and reviewed the procedures that would be followed with all future late reports. The Board briefly reviewed the report and recommended that a 30-day cycle be maintained for notifying all delinquent agencies. The first step is to be a phone call to the school district clerk, followed up with letters copied to the school board chairman, the Office of Public Instruction, the county attorney, and the Attorney General.

Administrative Rules. Legal Counsel presented amendments to the Board to Administrative Rule 2.44.519, Post-Retirement Adjustments. He said the purpose of the amendment was to clarify availability of investment earnings for paying post-retirement adjustments should the rate of return on investments fall below the current actuarially assumed rate of 8%. Following a brief review, Mr. Brewington moved to work with the Public Employees' Retirement Board to draft a rule that will meet the common concerns of both retirement systems, and to notice the rule for public hearing. Mr. Kranick seconded the motion, which passed.

New Business.

The Executive Director returned to the meeting.

David Loughran. Mr. Loughran joined the meeting at this point and advised the Board that he had been given the opportunity to take a sabbatical leave during the 1993-94 school year. However, because he planned to retire at the end of the 1995-96 school year, his highest three consecutive years would include the sabbatical year, which would be less than full pay. Mr. Loughran proposed that he be allowed to contribute the employee and employer contributions on salary not reported.

The Executive Director advised the Board that Mr. Loughran's proposal had been reviewed with legal counsel, and that statutes governing the Teachers' Retirement System allowed a member to purchase salary lost due to a temporary absence. However, under this provision the member is required to pay the actuarial cost. The actuarial cost has been determined to be 5.7% per year of service, times the salary lost. Mr. Loughran would be required to contribute approximately $14,250.00.

Following an extensive review of Mr. Loughran's request, the Board concluded that Mr. Loughran must work within the confines of current statutes and directed that the staff provide Mr. Loughran with retirement estimates under the various options available to him.

John Trangmoe. At this point, Mr. John Trangmoe joined the meeting. Mr. Trangmoe reviewed the circumstances which led the reporting of the earnings from the Migrant Workers' Program. He said that it was his intention to have only the salaries earned

through June reported and to consider the July earnings as a post-retirement contract. He ask that the Board consider this option. When asked by the Board, the Executive Director advised against treating only a portion of the earnings as a post-retirement contract, since the contract clearly covers the period of May through August 10, 1992.

The Executive Director explained that Mr. Trangmoe had applied for retirement benefits effective July 1, 1992. However, following the end of the 1991-92 school year, Mr. Trangmoe was employed by the Glendive Summer Migrant Workers' Program under a contract which extended through the July 7, 1992. Under the provisions of the Teachers' Retirement Act, retirement benefits are effective on the first of the month following termination. Mr. Trangmoe had received benefits for the month of July, which he returned to the Teachers' Retirement System.

Mr. Senn further explained that under the provisions of the Teachers' Retirement Act, a retiree may return to a position covered under the Teachers' Retirement System and earn up to ⅓ of their final average salary without loss of retirement benefits. Therefore, if Mr. Trangmoe's Glendive Summer Migrant Workers' Program earnings were under a post-retirement contract, he could be eligible for retirement benefits effective July 1, 1992. Employee and employer contributions received under the Migrant Workers' Program could be returned to Mr. Trangmoe and the school district. If the Migrant Workers' Program earnings were treated as a post-retirement contract, Mr. Trangmoe would be entitled to a monthly retirement benefit of approximately $1,696.50. Currently Mr. Trangmoe is receiving a retirement benefit of $1,733.83, effective August 1, 1992. The difference in retirement benefits accounts for the additional earnings reported for the Migrant Workers' Program.

Following a brief discussion, the Chairman observed that it was the consensus of the Teachers' Retirement Board to allow Mr. Trangmoe the option of treating all Migrant Workers' Program summer earnings as post-retirement contract earnings, excluding these earnings from the calculation of benefits and refunding the employee and employer contributions. Alternatively, Mr. Trangmoe could continue to receive the current retirement benefit, effective August 1, 1992. He asked that Mr. Trangmoe advise the Executive Director in writing of his intentions.

Dr. Thomas Carroll. Dr. Thomas Carroll petitioned the Teachers' Retirement Board for an exemption to the 10% statutory cap. Dr. Carroll submitted documentation which showed that he received earnings in excess of the 10% cap as a result of his promotion to acting department head and two administrative components added to the contract for additional duties. Following a brief discussion, Mr. Kranick moved to deny Dr. Carroll's request for exemption, stating that the assignment of additional duties of a one time or temporary nature do not meet the necessary requirements for an exemption under Board Rule 2.44.518. Mr. Brewington seconded the motion, which carried.

Annual NCTR System Directors Meeting. The Executive Director presented a request to the Board to attend the Sixth Annual NCTR System Directors Meeting in Warren, Vermont, scheduled for June 5-7, 1993. He advised the Board that airfare would be around $530.00. Mr. Brewington moved to authorize attendance for the Executive Director. Mr. Cross seconded the motion, which carried unanimously.

Approval of Application and Benefits. The Chairman directed that the Board meeting be closed, since the individual's right to privacy of information pertaining to regular survivorship and disability retirement benefits outweighs the public's right to know.

At 12:45 p.m. the Teachers' Retirement Board meeting was re-opened to the public. Mr. Kranick moved to approve the regular survivorship and adjustments as presented by staff. Mr. Brewington seconded the motion, which carried.

Disability Retirement Applications.

- **Barbara E. Shaffer.** Mr. Brewington moved to approve the disability application of Barbara E. Shaffer. Mr. Kranick seconded the motion, which carried.

- **Virginia M. Brazill.** Mr. Cross moved to approve the disability application of Virginia M. Brazill. Mr. Kranick seconded the motion, which carried.

- **Carol A. Moore.** Mr. Brewington moved to deny the disability application of Carol A. Moore. Mr. Kranick seconded the motion, which carried.

- **Ardith E. Jackson.** Mr. Brewington moved to table the disability application of Ardith E. Jackson, pending receipt of missing pages from Dr. Lahey's medical information. Mr. Kranick seconded the motion, which carried.

- **William French.** The Executive Director advised that we had received a letter from Mr. French, who was concerned with the reason given for approval of his disability retirement benefits. In the letter advising him that the Board had approved his application for disability retirement, we referenced the diagnosis on which the approval was granted. He pointed out that this diagnosis was not included in the medical records, but was referred to only in comparing the symptoms that he had. Upon review of the medical record of Mr. French, the Board directed the Executive Director to write Mr. French and advise him that the decision to grant his disability was based upon the entire medical record available to us.

Next Board Meeting. The next Board meeting will be at 9:00 a.m. on May 21, 1993.

The Chairman asked if there was any further business before the Teachers' Retirement Board. Seeing none, the meeting was adjourned.

Chairman, James Cowan

Executive Director,
David L. Senn

RETIREMENT LISTING

RETIREMENT APPLICATIONS - NOVEMBER 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Cole, Florence H.	07-01-92	Carbon	17.00	64			634.23
Habeck, Patricia A.	11-01-92	V. R.	14.84	60	1,177.80	I	610.23
Hartsog, William S.	11-01-92	V. R.	11.00	52	4,553.77	I	320.04
Kohrt, Sara P.	04-01-92	V. R.	11.00	60	8,009.95	III	353.91
Thomas, William G.	07-01-92	Cascade	26.23	50			895.34

SURVIVOR APPLICATIONS - NOVEMBER 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Beck, Donald L. Survivor of Wanda M. Beck	09-01-92	Fallon	10.75	39 38	586.67(1/3)	I	112.46
Beck, Michelle M. Survivor of Wanda M. Beck	09-01-92	Fallon	10.75	10 38	586.67(1/3)	I	99.59
Beck, Nicholas A. Survivor of Wanda M. Beck	09-01-92	Fallon	10.75	8 38	586.67(1/3)	I	99.19

ADJUSTMENTS - NOVEMBER 1992

	RETRO TO	FROM	TO
Barrow, Sarah G. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,026.10	1,029.48
Green, Jonette M. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,478.67	1,481.18
Johnsten, Richard A. Increase in benefits to reflect use of annualized salary for the 1989-90 school year.	07-01-92	171.64	173.08
Larson, Charles J. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,222.95	1,226.32

McFarland, Enid G. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,207.24	1,210.57
Miller, C. Jeanne Increase in benefits to reflect use of annualized salary for the 1989-90 school year.	07-01-92	1,340.41	1,354.77
Nelson, Luann L. Decrease in benefits to reflect use of actual salary for the 1989-90 school year.	07-01-92	981.95	977.75
Peretti, James W. Increase in benefits to reflect use of annualized salary for the 1989-90 school year.	07-01-92	946.24	955.55
Schaible, James A. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,200.82	1,205.83
Scott, Ronald H. Decrease in benefits to reflect change in Option (due to divorce agreement).	07-01-92	1,271.34	1,203.70
Williamson, Phyllis B. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	2,337.51	2,353.99

RETIREMENT APPLICATIONS - DECEMBER 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Atwell, Gerry C.	12-01-92	V. R.	7.36	60	808.20	I	71.54
Dow, Martha A.	08-01-92	NMC	25.00	54	15,743.32	I	1,956.42

SURVIVOR APPLICATIONS - DECEMBER 1992

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Geraghty, Janie M. Survivor of Jon A. Keefe	09-01-92	Ravalli	9.00	39 38			280.62

ADJUSTMENTS - DECEMBER 1992

	RETRO TO	FROM	TO
Alberta Jr, Richard Decrease in benefits to reflect use of actual salary for May and June 1992.	08-01-92	1,446.17	1,443.60
Biver, John J. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,068.54	1,072.35
Brown, Eldora W. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,251.75	1,256.26
Colmey, Kathryn M. Decrease in benefits to reflect actual salary for the 1991-92 school year.	07-01-92	577.73	574.63
Eyer, June E. Increase in benefits to reflect use of actual salary for the 1991-92 school year & actual termination pay.	07-01-92	816.07	516.25
Ficek, Larry F. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,234.30	1,238.12
Gabrielson, Cliffton H. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	2,242.26	2,245.02
Hamilton, Nancy B. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,234.00	1,236.91
Knobel, Velma L. Increase in benefits to reflect use of a retirement incentive of $1,500.00 reported under Option II.	07-01-92	1,011.93	1,014.00

Lenhart, Ralph L. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,602.22	1,619.85
Lloyd, David C. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,518.06	1,544.54
McFadyean, Rita D. Decrease in benefits to reflect use of actual termination pay amount utilizing Option II.	07-01-92	657.38	656.75
Milroy, Clifford W. Increase in benefits to reflect use of actual salary for the 1989-90 & 1991-92 school years.	07-01-92	1,173.89	1,177.68
Pugh, Jerry E. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,041.27	1,042.87
Schroeder, Virginia A. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,206.23	1,210.25
Smith, Gary D. Increase in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,954.56	1,956.22
Stabio, David T. Decrease in benefits to reflect use of actual salary for the 1991-92 school year.	07-01-92	1,910.21	1,906.74
Trangmoe, John N. Decrease in benefits to reflect use of actual salaries relative to the 1989-90, 1990-91, & 1991-92 school years.	08-01-92	1,733.83	1,717.06

RETIREMENT APPLICATIONS - JANUARY 1993

	EFFECTIVE DATE	COUNTY	SERV	AGE	TERMINATION PAY	OPT	AMOUNT
Corbeau, André B.	01-01-93	EMC	14.89	60	28,184.97	I	1,461.59
Harding, Sheldon Jay	01-01-93	State Dept	25.50	53	10,060.22	I	1,437.79
Jones, Kenneth L.	12-01-90	V. R.	5.00	60	6,630.44	I	269.98
Parsons, Henry L.	07-01-92	MSU	35.00	57	35,490.16	I	3,682.23
Snively, Roberta L.	01-01-93	Big Horn	30.25	63			966.87
Stark, Nellie M.	01-01-93	U of M	25.67	60	13,147.57	I	2,195.82
Wilson, Ellen J.	07-01-92	Prairie	31.39	69	2,403.00	II	971.23

ADJUSTMENTS - JANUARY 1993

	RETRO TO	FROM	TO
Amberson, Max L. Increase in benefits to reflect use of actual termination pay amounts.	08-01-92	3,216.88	3,358.89
Fisher, Doris M. Cason Increase in benefits to reflect use of termination pay under Option I.	07-01-92	253.79	255.41
Hampton, H. Duane Decrease in benefits to reflect use of actual termination pay.	09-01-92	2,138.81	2,129.80
Rauch, Rose Increase in benefits to reflect use of actual termination pay under Option I.	07-01-92	2,215.84	2,216.29
Struck, Eleanor L. Increase in benefits to reflect use of actual termination pay.	07-01-92	509.66	512.42

RECORD KEEPING ESSENTIALS
WJ

TO LOCK
PERMANENTLY

Push down spur
with a blunt
instrument.